

**J M LOVERIDGE LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**Company Registration No. 06072278 (England and Wales)**

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# J M LOVERIDGE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr G F O'Brien Mr P Didlick Mr P M O'Brien
<b>Secretary</b>	Mr P Didlick
<b>Company number</b>	06072278
<b>Registered office</b>	Ayrton House 38 Commerce Way Parliament Business Park Liverpool L8 7BA
<b>Auditor</b>	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL

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# **J M LOVERIDGE LIMITED**

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# J M LOVERIDGE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	4		53		787
<b>Current assets</b>					
Stocks		374,533		498,579	
Debtors	5	654,921		274,470	
Cash at bank and in hand		29,409		33,426	
		1,058,863		806,475	
<b>Creditors: amounts falling due within one year</b>	6	(543,669)		(465,615)	
Net current assets			515,194		340,860
<b>Total assets less current liabilities</b>			515,247		341,647
<b>Provisions for liabilities</b>			1,323		1,323
<b>Net assets</b>			516,570		342,970
<b>Capital and reserves</b>					
Called up share capital	8		1,000		1,000
Profit and loss reserves			515,570		341,970
<b>Total equity</b>			516,570		342,970

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

The notes referenced above form part of these financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved by the board of directors and authorised for issue on 22 September 2017 and are signed on its behalf by:



Mr P Didlick

Director

Company Registration No. 06072278

# J M LOVERIDGE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

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	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2015		1,000	281,089	282,089
<hr/>				
Year ended 31 December 2015:				
Profit and total comprehensive income for the year		-	60,881	60,881
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Balance at 31 December 2015		1,000	341,970	342,970
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Year ended 31 December 2016:				
Profit and total comprehensive income for the year		-	173,600	173,600
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Balance at 31 December 2016		1,000	515,570	516,570
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The notes referenced above form part of these financial statements.

# J M LOVERIDGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **1 Accounting policies**

#### **Company information**

J M Loveridge Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ayrton House, 38 Commerce Way, Parliament Business Park, Liverpool, L8 7BA.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared on the historical cost convention with the exception of certain assets held at fair value as detailed in the accounting policies set out below.

#### **1.2 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue is recognised when goods are despatched.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **1.3 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% straight line
Computer equipment	25% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **1.4 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# J M LOVERIDGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# J M LOVERIDGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.



# J M LOVERIDGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 1 Accounting policies

(Continued)

##### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.11 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Total	12	12

#### 3 Taxation

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	43,400	15,401
Adjustments in respect of prior periods	-	482
Total current tax	43,400	15,883
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(183)
Total tax charge	43,400	15,700

# J M LOVERIDGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 4 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 January 2016 and 31 December 2016	26,225
<b>Depreciation and impairment</b>	
At 1 January 2016	25,437
Depreciation charged in the year	735
At 31 December 2016	26,172
<b>Carrying amount</b>	
At 31 December 2016	53
At 31 December 2015	787

### 5 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	271,390	262,044
Amounts due from fellow group undertakings	381,290	-
Prepayments and accrued income	2,241	12,778
	<u>654,921</u>	<u>274,822</u>

No provision for impairment has been made against trade debtors (2015: £nil).

### 6 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	191,258	-
Trade creditors	26,955	28,787
Amounts due to group undertakings	221,484	362,481
Corporation tax	58,802	15,402
Other taxation and social security	30,779	35,233
Other creditors	14,391	23,712
	<u>543,669</u>	<u>465,615</u>

# J M LOVERIDGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 7 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2016 £	Liabilities 2015 £
<b>Balances:</b>		
ACAs	(1,323)	(1,323)
	<u>          </u>	<u>          </u>

There were no deferred tax movements in the year.

#### 8 Called up share capital

	2016 £	2015 £
<b>Ordinary share capital Issued and fully paid</b>		
1,000 Ordinary of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>

#### 9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.  
The senior statutory auditor was Iain White BSc FCA.  
The auditor was DSG.

# **J M LOVERIDGE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **10 Financial commitments, guarantees and contingent liabilities**

The company is party to an unlimited inter-company cross guarantee in respect of amounts owed to National Westminster Bank plc by OBG Holding Limited and its subsidiaries listed below:

OBG Pharmaceuticals Limited  
Pharmaserve (North West) Limited  
Pharmasol Limited  
Ayrton Saunders Limited  
Ayrton Saunders and Company Limited  
Hubron Speciality Limited  
Hubron International Limited  
Polymer Recycling Limited  
Ransom Naturals Limited  
Pharmaserve Limited  
OBG Scientific Division Limited  
OBG Property Holding Limited  
Pharmaserve (North West) Development Company Limited  
Hubron Repacking Services Limited

### **11 Parent company**

The company's parent undertaking is OBG Holding Limited whose registered office is Ayrton House, 38 Commerce Way, Parliament Business Park, Liverpool, L8 7BA.

The ultimate controlling party is Mr G O'Brien by virtue of this majority shareholding in the parent company.