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J M LOVERIDGE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

Company Registration No. 06072278 (England and Wales)

J M LOVERIDGE LIMITED

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J M LOVERIDGE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		-		53
Current assets					
Stocks		172,567		374,533	
Debtors	4	564,737		654,921	
Cash at bank and in hand		9,442		29,409	
		<u>746,746</u>		<u>1,058,863</u>	
Creditors: amounts falling due within one year	5	<u>(562,371)</u>		<u>(543,669)</u>	
Net current assets			184,375		515,194
Total assets less current liabilities			<u>184,375</u>		<u>515,247</u>
Provisions for liabilities			1,323		1,323
Net assets			<u>185,698</u>		<u>516,570</u>
Capital and reserves					
Called up share capital	6		1,000		1,000
Profit and loss reserves			184,698		515,570
Total equity			<u>185,698</u>		<u>516,570</u>

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 25 September 2018 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 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2016		1,000	341,970	342,970
Year ended 31 December 2016:				
Profit and total comprehensive income for the year		-	173,600	173,600
Balance at 31 December 2016		1,000	515,570	516,570
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	49,128	49,128
Dividends		-	(380,000)	(380,000)
Balance at 31 December 2017		1,000	184,698	185,698

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 2017

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 under the historical cost convention, modified to include certain items at fair value. The principal accounting policies adopted are set out below and have been consistently applied.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

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

Turnover 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.

1.4 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:

Plant and Machinery	20% straight line
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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.

1.5 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 2017

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.

1.6 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.

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.

1.7 Cash at bank and in hand

Cash at bank and in hand 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.

1.8 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 2017

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.

1.9 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.

1.10 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 2017

1 Accounting policies

(Continued)

1.11 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.

1.12 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:

	2017 Number	2016 Number
Total	12	12

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2017 and 31 December 2017	26,224
Depreciation and impairment	
At 1 January 2017	26,171
Depreciation charged in the year	53
At 31 December 2017	26,224
Carrying amount	
At 31 December 2017	-
At 31 December 2016	53

J M LOVERIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

4 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	297,045	271,390
Amounts owed by group undertakings	212,488	381,290
Other debtors	50,934	-
Prepayments and accrued income	4,270	2,241
	<u>564,737</u>	<u>654,921</u>

5 Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	155,688	191,258
Trade creditors	88,090	26,955
Amounts due to group undertakings	270,410	221,484
Corporation tax	11,359	58,802
Other taxation and social security	5,424	30,779
Other creditors	31,400	14,391
	<u>562,371</u>	<u>543,669</u>

Bank loans and overdrafts drawn down from HSBC Bank plc are secured via a debenture including First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future.

6 Called up share capital

	2017	2016
	£	£
Ordinary share capital Issued and fully paid 1,000 Ordinary of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

7 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 2017**

8 Financial commitments, guarantees and contingent liabilities

The company is party to a multilateral guarantee in respect of amounts owed to HSBC Bank plc by OBG Holding Limited and its subsidiaries listed below:

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

9 Related party transactions

There were no transactions during the year with related parties other than with group companies. The company is exempt from disclosing transactions with group companies that are wholly owned within the same group.

10 Parent company

The company is a wholly owned subsidiary of OBG Pharmaceuticals Limited which itself is a wholly owned subsidiary of the ultimate parent company, OBG Holding Limited. This parent company, which prepares consolidated financial statements, is registered in England and Wales at Ayrton House, 38 Commerce Way, Parliament Business Park, Liverpool, L8 7BA.

The smallest and largest group into which the results of this entity are consolidated is that headed by OBG Holding Limited.

OBG Holding Limited is jointly owned and controlled by Mr G O'Brien and Mrs B O'Brien.