

J M LOVERIDGE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Company Registration No. 06072278 (England and Wales)

J M LOVERIDGE LIMITED

CONTENTS

	Page
Balance sheet	1
Statement of changes in equity	2
Notes to the financial statements	3 - 8

J M LOVERIDGE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Stocks		647,946		119,461	
Debtors	5	1,329,994		1,243,465	
Cash at bank and in hand		15,240		19,763	
		<u>1,993,180</u>		<u>1,382,689</u>	
Creditors: amounts falling due within one year	6	<u>(1,467,860)</u>		<u>(895,382)</u>	
Net current assets			<u>525,320</u>		<u>487,307</u>
Capital and reserves					
Called up share capital	7		1,000		1,000
Profit and loss reserves			<u>524,320</u>		<u>486,307</u>
Total equity			<u>525,320</u>		<u>487,307</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 30 September 2021 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 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2019	1,000	249,207	250,207
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	237,100	237,100
Balance at 31 December 2019	1,000	486,307	487,307
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	38,013	38,013
Balance at 31 December 2020	1,000	524,320	525,320

J M LOVERIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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. The principal accounting policies adopted are set out below and have been consistently applied.

1.2 Going concern

As part of assessing the potential impact of the ongoing COVID-19 virus situation management has prepared revised financial forecasts for both this company and the broader OBG group. These forecasts indicate that the company will continue to trade profitably, and generate cash, over the period considered by them in their assessment of the appropriateness of adopting the going concern basis in the preparation of these financial statements. The revised forecasts also demonstrate that existing group banking facilities will remain adequate and that all associated banking covenants will be satisfactorily met.

Management has also considered the impact of potential operational challenges posed by COVID-19, including but not restricted to, an assessment of the robustness of their supply chain and broader logistics arrangements. Management has concluded that any operational pressures caused directly by the COVID-19 situation are unlikely to have a material impact on the company. On this basis the directors consider it appropriate to prepare these financial statements on a going concern basis.

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
Computer equipment	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.

J M LOVERIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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.

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.

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 transaction 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.

J M LOVERIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

J M LOVERIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Employees

The average monthly number of persons employed by the company during the year was:

	2020 Number	2019 Number
Total	15	15

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2020 and 31 December 2020	8,299
Depreciation and impairment	
At 1 January 2020 and 31 December 2020	8,299
Carrying amount	
At 31 December 2020	-
At 31 December 2019	-

5 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	378,266	497,364
Amounts owed by group undertakings	694,091	453,404
Other debtors	244,103	277,483
Prepayments and accrued income	12,934	14,563
	1,329,394	1,242,814
Deferred tax asset	600	651
	1,329,994	1,243,465

J M LOVERIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	136,036	280,474
Trade creditors	21,038	20,947
Amounts owed to group undertakings	1,249,469	244,979
Corporation tax	7,064	56,960
Other taxation and social security	5,354	5,311
Other creditors	48,899	286,711
	<u>1,467,860</u>	<u>895,382</u>

Bank loans and overdrafts includes £136,036 (2019: £280,474) which are subject to an invoice discounting facility secured on trade debtors.

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.

7 Called up share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary of £1 each	1,000	1,000	1,000	1,000
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

8 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 and the auditor was DSG.

J M LOVERIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 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
RBH Repacking Services Limited (previously called Hubron Repacking Services Limited)
OBG Scientific Division Limited
Pharmaserve (North West) Development Company Limited
Hubron Speciality Limited
Hubron (International) Limited
Pharmaserve (North West) Limited
Ransom Naturals Limited
Richard Baker Harrison Limited
OBG Holding Limited

10 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2020	2019
£	£
88,333	108,333

11 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.

12 Parent company

The company is a wholly owned subsidiary of OBG Scientific Division Limited and its ultimate parent company is OBG Holding Limited. The ultimate 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 parent company also has the same registered office as the ultimate parent company.

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

The ultimate controlling party is Mr G O'Brien.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.