

Company Registration No. 08267356 (England and Wales)

LOVETT ENTERPRISES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
PAGES FOR FILING WITH REGISTRAR

LOVETT ENTERPRISES LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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LOVETT ENTERPRISES LIMITED

**ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED
STATUTORY FINANCIAL STATEMENTS OF LOVETT ENTERPRISES LIMITED FOR THE YEAR ENDED 31
DECEMBER 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Lovett Enterprises Limited for the year ended 31 December 2018 which comprise the Profit and Loss Account and the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Lovett Enterprises Limited, as a body, in accordance with the terms of our engagement letter dated 10 May 2016. Our work has been undertaken solely to prepare for your approval the financial statements of Lovett Enterprises Limited and state those matters that we have agreed to state to the Board of Directors of Lovett Enterprises Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lovett Enterprises Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Lovett Enterprises Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Lovett Enterprises Limited. You consider that Lovett Enterprises Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Lovett Enterprises Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

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Dales Evans & Co Limited
Chartered Accountants
88-90 Baker Street
London
W1U 6TQ

21 October 2019
Date

LOVETT ENTERPRISES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	£	£
Gross profit	602,284	591,172
Administrative expenses	(595,149)	(448,926)
Operating profit	7,135	142,246
Interest receivable and similar income	2,654	-
Interest payable and similar expenses	(141,187)	(117,101)
(Loss)/profit before taxation	(131,398)	25,145
Tax on loss/profit	50,954	(94,475)
Loss for the financial year	(80,444)	(69,330)

**Adjusted EBITDA - earnings before tax, interest
accrued to shareholders and depreciation**

(Loss)/profit before taxation	(131,398)	25,145
Interest accrued to shareholders	135,562	117,101
Depreciation	110,420	110,420
Adjusted EBITDA	114,584	252,666

LOVETT ENTERPRISES LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2018**

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3	1,142,354		1,252,774	
Investments	4	1,850,361		28,815	
		<u>2,992,715</u>		<u>1,281,589</u>	
Current assets					
Debtors		472,768		151,669	
Cash at bank and in hand		38,472		119,268	
		<u>511,240</u>		<u>270,937</u>	
Creditors: amounts falling due within one year		<u>(391,084)</u>		<u>(181,094)</u>	
Net current assets		120,156		89,843	
Total assets less current liabilities		<u>3,112,871</u>		<u>1,371,432</u>	
Creditors: amounts falling due after more than one year		(3,486,400)		(1,660,139)	
Provisions for liabilities		<u>(36,162)</u>		<u>(40,540)</u>	
Net liabilities		<u>(409,691)</u>		<u>(329,247)</u>	
Capital and reserves					
Called up share capital	5	240		240	
Profit and loss reserves		<u>(409,931)</u>		<u>(329,487)</u>	
Total equity		<u>(409,691)</u>		<u>(329,247)</u>	

In accordance with section 444 of the Companies Act 2006 all of the members of the company have consented to the preparation of abridged financial statements pursuant to paragraph 1A of Schedule 1 to the Small Companies and Groups (Accounts and Directors' Report) Regulations (S.I. 2008/409)(b).

For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

LOVETT ENTERPRISES LIMITED

**BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018**

		2018		2017	
	Notes	£	£	£	£

The financial statements were approved by the board of directors and authorised for issue on 18 October 2019 and are signed on its behalf by:

G Lovett
Director

Company Registration No. 08267356

LOVETT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Lovett Enterprises Limited is a private company limited by shares incorporated in England and Wales. The registered office is 88-90 Baker Street, London, W1U 6TQ.

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 pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value, except where this would lead to the company incurring undue cost or effort. The principal accounting policies adopted are set out below.

1.2 Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents amounts for services provided net of discounts and VAT.

Income from services is recognised when they are performed and entitlement has arisen under the terms of the contract.

1.3 Tangible fixed assets

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

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

Land and buildings - leasehold	over the life of the lease
Leasehold improvements	over the life of the lease
Fixtures, fittings and equipment	33.3% straight line

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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.

1.6 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.

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.

1.7 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.

1.8 Taxation

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

LOVETT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

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 tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 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.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2017 - 1).

LOVETT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

3 Tangible fixed assets

	Land and buildings leasehold £	Leasehold improve-ments £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2018 and 31 December 2018	106,932	1,201,738	134,059	1,442,729
Depreciation and impairment				
At 1 January 2018	8,466	92,117	89,372	189,955
Depreciation charged in the year	5,347	60,387	44,686	110,420
At 31 December 2018	13,813	152,504	134,058	300,375
Carrying amount				
At 31 December 2018	93,119	1,049,234	1	1,142,354
At 31 December 2017	98,466	1,109,621	44,687	1,252,774

4 Fixed asset investments

	2018 £	2017 £
Investments in subsidiaries	1,850,361	28,815

Movements in fixed asset investments

	Shares in group undertakings £	Other investments other than loans £	Total £
Cost or valuation			
At 1 January 2018	65	28,750	28,815
Additions	1,821,546	-	1,821,546
At 31 December 2018	1,821,611	28,750	1,850,361
Carrying amount			
At 31 December 2018	1,821,611	28,750	1,850,361
At 31 December 2017	65	28,750	28,815

5 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
240 ordinary shares of £1 each	240	240

LOVETT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

6 Operating lease commitments

Lessee

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

2018	2017
£	£
545,417	750,417
<u>545,417</u>	<u>750,417</u>

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.