

OBG PROPERTY HOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Company Registration No. 09944343 (England and Wales)

OBG PROPERTY HOLDING LIMITED

CONTENTS

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

OBG PROPERTY HOLDING LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	3	228,138		239,096	
Investment properties	4	16,580,000		16,580,000	
		<u>16,808,138</u>		<u>16,819,096</u>	
Current assets					
Debtors	5	496,537		450,943	
Cash at bank and in hand		2,432		20,753	
		<u>498,969</u>		<u>471,696</u>	
Creditors: amounts falling due within one year	6	<u>(463,841)</u>		<u>(2,047,227)</u>	
Net current assets/(liabilities)		35,128		(1,575,531)	
Total assets less current liabilities		<u>16,843,266</u>		<u>15,243,565</u>	
Creditors: amounts falling due after more than one year	7	(12,363,351)		(11,292,527)	
Net assets		<u>4,479,915</u>		<u>3,951,038</u>	
Capital and reserves					
Called up share capital	8	1		1	
Profit and loss reserves		4,479,914		3,951,037	
Total equity		<u>4,479,915</u>		<u>3,951,038</u>	

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

These financial statements have been prepared 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 10 September 2020 and are signed on its behalf by:

Mr P Didlick
Director

Company Registration No. 09944343

OBG PROPERTY HOLDING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2018	1	537,008	537,009
Period ended 31 December 2018:			
Profit and total comprehensive income for the period	-	3,414,029	3,414,029
Balance at 31 December 2018	1	3,951,037	3,951,038
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	528,877	528,877
Balance at 31 December 2019	1	4,479,914	4,479,915

OBG PROPERTY HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

OBG Property Holding 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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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 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 rental income which is recognised in accordance with underlying lease terms.

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:

Fixtures and fittings	10% 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.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

OBG PROPERTY HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.6 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.

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.

1.7 Cash at bank and in hand

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.

1.8 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.

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.

OBG PROPERTY HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

1.9 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

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 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.

OBG PROPERTY HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Employees

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

	2019 Number	2018 Number
Total	-	-

3 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 January 2019	249,491
Additions	12,952
At 31 December 2019	262,443
Depreciation and impairment	
At 1 January 2019	10,395
Depreciation charged in the year	23,910
At 31 December 2019	34,305
Carrying amount	
At 31 December 2019	228,138
At 31 December 2018	239,096

4 Investment property

	2019 £
Fair value	
At 1 January 2019 and 31 December 2019	16,580,000

The investment property was valued as at 31 December 2019 by the directors based on a valuation undertaken by GVA Grimley Limited in September 2018 based on market value.

OBG PROPERTY HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Debtors	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	91,841	75,315
Other debtors	404,696	375,628
	<u>496,537</u>	<u>450,943</u>
6 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	49,723	30,934
Amounts owed to group undertakings	-	1,576,322
Corporation tax	125,983	104,795
Other taxation and social security	76,534	71,348
Other creditors	211,601	263,828
	<u>463,841</u>	<u>2,047,227</u>
7 Creditors: amounts falling due after more than one year	2019	2018
	£	£
Amounts owed to group undertakings	2,416,821	-
Other creditors	9,946,530	11,292,527
	<u>12,363,351</u>	<u>11,292,527</u>
8 Called up share capital	2019	2018
	£	£
Ordinary share capital Issued and fully paid		
1 Ordinary of £1 each	<u>1</u>	<u>1</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.

OBG PROPERTY HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Related party transactions

Transactions with related parties

The company is exempt from disclosing transactions with group companies that are wholly owned within the same group.

The following amounts were outstanding at the reporting end date:

	2019	2018
	£	£
Amounts due to related parties		
Other related parties	9,962,893	11,406,305

Creditors falling due after one year includes a loan of £9,946,530 (2018: £11,292,527) from a company under common control. The loan is repayable on 27 July 2021. Interest is charged at 5.2% plus 1.0% fixed LIBOR per annum. Interest charged in the year amounted to £655,548 (2018: £760,178). The loan is secured on property held by the company.

The other amounts are interest free, undertaken at arms length and repayable on demand.

The following amounts were outstanding at the reporting end date:

	2019	2018
	£	£
Amounts due from related parties		
Other related parties	339,294	362,902

The amounts are interest free, undertaken at arms length and repayable on demand.

11 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. 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.