

**OBG PROPERTY HOLDING LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**Company Registration No. 09944343 (England and Wales)**

# **OBG PROPERTY HOLDING LIMITED**

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# OBG PROPERTY HOLDING LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4		278,583		289,156
Investment property	5		17,500,000		17,500,000
			<u>17,778,583</u>		<u>17,789,156</u>
<b>Current assets</b>					
Debtors	6	1,972,290		3,015,480	
Cash at bank and in hand		17,647		35,502	
		<u>1,989,937</u>		<u>3,050,982</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(2,387,802)</u>		<u>(1,660,272)</u>	
<b>Net current (liabilities)/assets</b>			<u>(397,865)</u>		<u>1,390,710</u>
<b>Total assets less current liabilities</b>			<u>17,380,718</u>		<u>19,179,866</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(9,100,000)		(12,115,977)
<b>Provisions for liabilities</b>			<u>(1,003,309)</u>		<u>(983,750)</u>
<b>Net assets</b>			<u><u>7,277,409</u></u>		<u><u>6,080,139</u></u>
<b>Capital and reserves</b>					
Called up share capital	9		1		1
Profit and loss reserves			<u>7,277,408</u>		<u>6,080,138</u>
<b>Total equity</b>			<u><u>7,277,409</u></u>		<u><u>6,080,139</u></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 29 September 2023 and are signed on its behalf by:

Mr P Didlick  
**Director**

Company registration number 09944343 (England and Wales)

# OBG PROPERTY HOLDING LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2021	1	5,234,145	5,234,146
Year ended 31 December 2021:			
Profit and total comprehensive income	-	845,993	845,993
Balance at 31 December 2021	1	6,080,138	6,080,139
Year ended 31 December 2022:			
Profit and total comprehensive income	-	1,197,270	1,197,270
Balance at 31 December 2022	1	7,277,408	7,277,409

# OBG PROPERTY HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 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, Parliament Business Park, Commerce Way, 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 the revaluation of investment properties at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The company has net current liabilities of £356,492 (2021: net current assets of £1,390,716) and net assets of £7,327,391 (2021: net assets of £6,080,139) as at 31 December 2022.

The group prepares forecasts, which includes this company, which indicate that the company and the group 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 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 on-going impact of the 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 continued operational pressures caused directly by the COVID-19 situation are unlikely to have a material impact on the company. Having made appropriate enquiries 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
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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 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 2022

### 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 2022

### 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.

#### 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.

# OBG PROPERTY HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 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.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Investment properties

A key source of estimation and uncertainty relates to the valuation of investment properties, where a valuation is obtained annually, as at 31 December, either by professionally qualified external valuers, or by the company's directors. The evidence to support these valuations is based primarily on recent, comparable market transactions on an arm's length basis. Property valuations are one of the principal uncertainties of the company.

The value of investment properties as at 31 December 2022 is £17.5m (2021: £17.5m) and the key assumptions can be found in note 5.

### 3 Employees

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

	2022 Number	2021 Number
Total	-	-



## OBG PROPERTY HOLDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 4 Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 1 January 2022	380,555
Additions	21,636
	<hr/>
At 31 December 2022	402,191
	<hr/>
<b>Depreciation and impairment</b>	
At 1 January 2022	91,399
Depreciation charged in the year	32,209
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At 31 December 2022	123,608
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<b>Carrying amount</b>	
At 31 December 2022	278,583
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At 31 December 2021	289,156
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# OBG PROPERTY HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 5 Investment property

2022  
£

#### Fair value

At 1 January 2022 and 31 December 2022

17,500,000

The directors have assessed the properties value at 31 December 2022 and revalued them to fair value of £17,500,000 (2021: £17,500,000). The fair value of the investment property has been arrived at on the basis of a valuation carried out by the directors at the year end taking into consideration latest market conditions and previous external valuations.

### 6 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	40,094	28,023
Amounts owed by group undertakings	1,457,032	-
Other debtors	475,164	2,987,457
	<u>1,972,290</u>	<u>3,015,480</u>

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

	2022 £	2021 £
Bank loans	800,000	800,000
Trade creditors	78,846	26,620
Amounts owed to group undertakings	573,146	182,400
Corporation tax	-	216,831
Other taxation and social security	142,974	76,574
Other creditors	792,836	357,847
	<u>2,387,802</u>	<u>1,660,272</u>

Amounts owed to group undertakings are unsecured, interest free and payable on demand.

### 8 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts	9,100,000	8,500,000
Amounts owed to group undertakings	-	3,615,977
	<u>9,100,000</u>	<u>12,115,977</u>

# OBG PROPERTY HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 8 Creditors: amounts falling due after more than one year (Continued)

Bank loans and overdrafts falling due within one year and after more than one year relates to a loan facility between the company and HSBC UK Bank plc. The loan is repayable in quarterly instalments over 5 years. The last repayment instalment shall be repaid on the termination date and will be the balance of the outstanding loan. The rate of interest on the loan is the percentage rate per annum which is the aggregate of the Margin and Base Rate.

Amounts owed to group undertakings are unsecured, interest free and payable on demand.

### 9 Called up share capital

	2022	2021
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1 Ordinary of £1 each	1	1

### 10 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 Laura Leslie BSc ACA.

The auditor was DSG.

### 11 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:

	2022	2021
	£	£
<b>Amounts due to related parties</b>		
Other related parties	513,297	65,174

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
<b>Amounts due from related parties</b>		
Other related parties	327,569	2,854,099

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

#### Other information

## **OBG PROPERTY HOLDING LIMITED**

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

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **11 Related party transactions**

**(Continued)**

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.

The company owes £227,149 (2021: £240,105) to fellow group undertakings, who are not 100% owned but have common shareholders and directors.

The company was owed £1,443,878 (2021: £nil) by group companies within the OBG Holding Limited group which are not 100% owned but have common shareholders and directors.

#### **12 Ultimate parent company and controlling party**

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 F 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.