

Metabolic Services Limited Trading as London Medical

Registered number: 01837551

Annual Report

For the year ended 28 February 2018

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METABOLIC SERVICES LIMITED
REGISTERED NUMBER: 01837551

BALANCE SHEET
AS AT 28 FEBRUARY 2018

	Note	2018 £	Unaudited 2017 (Restated) £
Fixed assets			
Intangible assets	4	126,909	-
Tangible assets	5	1,133,867	1,273,684
		<u>1,260,776</u>	<u>1,273,684</u>
Current assets			
Stocks	6	103,517	107,724
Debtors: amounts falling due within one year	7	1,363,837	806,071
Cash at bank and in hand		504,111	724,806
		<u>1,971,465</u>	<u>1,638,601</u>
Creditors: amounts falling due within one year	8	(2,457,352)	(2,104,933)
Net current liabilities		<u>(485,887)</u>	<u>(466,332)</u>
Total assets less current liabilities		<u>774,889</u>	<u>807,352</u>
Creditors: amounts falling due after more than one year	9	(210,987)	(173,664)
Provisions for liabilities			
Provisions	11	(40,950)	-
		<u>(40,950)</u>	<u>-</u>
Net assets		<u>522,952</u>	<u>633,688</u>
Capital and reserves			
Called up share capital		130	130
Share premium account		476,895	476,895
Profit and loss account		45,927	156,663
Total equity		<u>522,952</u>	<u>633,688</u>

BALANCE SHEET (CONTINUED)
AS AT 28 FEBRUARY 2018

The 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.

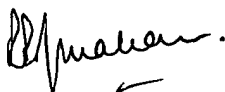
The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

20 December 2018

Dr R R Abraham
Director



The notes on pages 3 to 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

1. General information

Metabolic Services Limited trading as London Medical is a private company limited by shares incorporated in England and Wales. The company's registered number is 01837551. The address of its registered office is Clearwater Court, 49 Marylebone High Street, London, W1U 5HJ.

The principal activity of the company continued to be that of operating a unique private out-patient medical clinic, specialising in the fields of diabetes, ophthalmology, heart disease and other related conditions.

The financial statements have been presented in Pound Sterling as this is currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. These financial statements have been prepared on the going concern basis as the shareholders are prepared to provide additional financial support if required. The company also regularly renews its banking overdraft facilities but does not utilise them.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 March 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 March 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Pensions

Defined contribution pension plans

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

2. Accounting policies (continued)

2.9 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Intangible assets

Intangible assets including software are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed four years.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

2. Accounting policies (continued)**2.11 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings	- Over the life of the lease
Fixtures and fittings	- Over four years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

2. Accounting policies (continued)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.17 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Employees	<u>39</u>	<u>39</u>

4. Intangible assets

	Software £
Cost	
Additions	63,245
Disposals	(30,452)
Reclassified to intangibles	199,875
At 28 February 2018	<u>232,668</u>
Amortisation	
Charge for the year	54,695
On disposals	(30,452)
Reclassified to intangibles	81,516
At 28 February 2018	<u>105,759</u>
Net book value	
At 28 February 2018	<u>126,909</u>
At 28 February 2017 Unaudited	<u>-</u>

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

5. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 March 2017 - unaudited	1,712,466	834,624	2,547,090
Additions	14,185	237,065	251,250
Disposals	-	(197,804)	(197,804)
Reclassified to intangibles	-	(199,875)	(199,875)
At 28 February 2018	1,726,651	674,010	2,400,661
Depreciation			
At 1 March 2017 - unaudited	883,196	390,210	1,273,406
Charge for the year on owned assets	117,484	108,502	225,986
Disposals	-	(151,082)	(151,082)
Reclassified to intangibles	-	(81,516)	(81,516)
At 28 February 2018	1,000,680	266,114	1,266,794
Net book value			
At 28 February 2018	725,971	407,896	1,133,867
At 28 February 2017 Unaudited	829,270	444,414	1,273,684

6. Stocks

	2018 £	Unaudited 2017 £
Stock	103,517	107,724
	103,517	107,724

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

7. Debtors

	2018	Unaudited
	£	2017
		£
Trade debtors	1,002,978	419,645
Other debtors	211,764	386,426
Prepayments and accrued income	149,095	-
	<u>1,363,837</u>	<u>806,071</u>

8. Creditors: Amounts falling due within one year

	2018	Unaudited
	£	2017
		£
Net obligations under finance leases and hire purchase contracts	71,229	137,500
Loans	87,500	-
Trade creditors	1,978,407	1,434,818
Other taxation and social security	84,468	146,248
Other creditors	55,000	176,119
Accruals and deferred income	180,748	210,248
	<u>2,457,352</u>	<u>2,104,933</u>

9. Creditors: Amounts falling due after more than one year

	2018	Unaudited
	£	2017
		£
Net obligations under finance leases and hire purchase contracts	210,987	173,664
	<u>210,987</u>	<u>173,664</u>

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	Unaudited 2017 £
Within one year	71,229	137,500
Between 1-5 years	210,987	173,664
	<u>282,216</u>	<u>311,164</u>

11. Provisions

	Dilapidation provision £
Charged to profit or loss	40,950
At 28 February 2018	<u>40,950</u>

12. Share capital

	2018 £	Unaudited 2017 £
Allotted, called up and fully paid		
130,000 (2017 - 130,000) Ordinary shares of £0.001 each	<u>130</u>	<u>130</u>

13. Reserves**Share premium account**

Share premium represents the amount above the nominal value received for issue share capital, less transaction costs.

Profit and loss account

This reserve includes the cumulative profits or losses.

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

14. Commitments under operating leases

At 28 February 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	Unaudited 2017 £
Not later than 1 year	670,686	655,086
Later than 1 year and not later than 5 years	2,666,356	2,614,979
Later than 5 years	596,491	1,255,962
	<u>3,933,533</u>	<u>4,526,027</u>

15. Related party transactions

During the year purchases of £8,400 (2017: £nil) were made with McLaren and Partners Limited, none of which remained outstanding at year end.

16. Post balance sheet events

There have been no significant events affecting the company since the year end.

17. Controlling party

The ultimate controlling parties, which remained unchanged from the previous year, were the directors R Abraham and C Abraham by virtue of their majority shareholding in the company.

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

18. Prior year restatement

		As previously stated 28 February Unaudited 2017 £	Effect of restatement 28 February Unaudited 2017 £	(As restated) 28 February Unaudited 2017 £
	Note			
Fixed assets	10	1,273,684	-	1,273,684
Current assets	11,12	1,638,601	-	1,638,601
Creditors: amounts falling due within one year	13	(1,977,944)	(126,989)	(2,104,933)
Net current assets/(liabilities)		<u>(339,343)</u>	<u>(126,989)</u>	<u>(466,332)</u>
Total assets less current liabilities		934,341	(126,989)	807,352
Creditors: amounts falling due after more than one year	14	(173,664)	-	(173,664)
Net assets		<u>760,677</u>	<u>(126,989)</u>	<u>633,688</u>
Capital and reserves		<u>760,677</u>	<u>(126,989)</u>	<u>633,688</u>

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

18. Prior year restatement (continued)

		As previously stated 28 February Unaudited 2017 £	Effect restatement 28 February Unaudited 2017 £	of (As restated) 28 February Unaudited 2017 £
Turnover	4	16,996,723	(12,926)	16,983,797
Cost of sales		(13,605,530)	-	(13,605,530)
Gross profit		3,391,193	(12,926)	3,378,267
Administrative expenses		(3,443,578)	(114,063)	(3,557,641)
Other operating income		106,013	-	106,013
Operating profit		53,628	(126,989)	(73,361)
Interest payable and similar charges	7	(13,221)	-	(13,221)
Taxation	8	279	-	279
Profit/(loss) on ordinary activities after taxation and for the financial year		40,686	(126,989)	(86,303)

During the year, there has been a routine VAT inspection which has yet to be concluded. As a precaution we have restated the amounts in prior year in relation to VAT in previous years.

We have also restated the turnover amount in relation to deferred income which had previously not been accounted for in the previous period.

19. Auditors' information

The auditors' report on the financial statements for the year ended 28 February 2018 was unqualified.

The audit report was signed on _____ by (Senior Statutory Auditor) on behalf of Mazars LLP.

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

19. Prior year restatement (continued)

		As previously stated 28 February Unaudited 2017 £	Effect restatement 28 February Unaudited 2017 £	of (As restated) 28 February Unaudited 2017 £
	Note			
Turnover	4	16,996,723	(12,926)	16,983,797
Cost of sales		(13,605,530)	-	(13,605,530)
Gross profit		3,391,193	(12,926)	3,378,267
Administrative expenses		(3,443,578)	(114,063)	(3,557,641)
Other operating income		106,013	-	106,013
Operating profit		53,628	(126,989)	(73,361)
Interest payable and similar charges	7	(13,221)	-	(13,221)
Taxation	8	279	-	279
Profit/(loss) on ordinary activities after taxation and for the financial year		<u>40,686</u>	<u>(126,989)</u>	<u>(86,303)</u>

During the year, there has been a routine VAT inspection which has yet to be concluded. As a precaution we have restated the amounts in prior year in relation to VAT in previous years.

We have also restated the turnover amount in relation to deferred income which had previously not been accounted for in the previous period.

20. Auditors' information

The auditors' report on the financial statements for the year ended 28 February 2018 was unqualified.

The audit report was signed on 21 December 2018 by Rachel Lawton (Senior Statutory Auditor) on behalf of Mazars LLP.