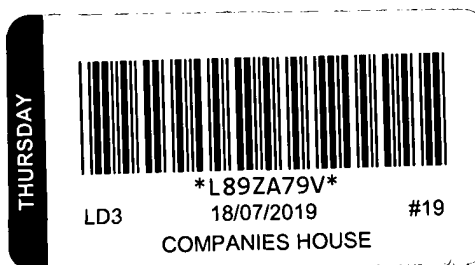


Metabolic Services Limited Trading as London Medical

Registered number: 01837551

Annual Report

For the year ended 28 February 2019



METABOLIC SERVICES LIMITED

COMPANY INFORMATION

Directors

A Amin
N V Abraham
D J McLaren
G P Wyatt
C V Abraham
R R Abraham
D Briggs
A D Graff

Registered number

01837551

Registered office

Clearwater Court
49 Marlebone High Street
London
W1U 5HJ

Independent auditor

Mazars LLP
Chartered Accountants & Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Bankers

Royal Bank of Scotland Plc
28 Cavendish Square
London
W1G 0DB

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**STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2019**

Business review

This has been a year of steady progress as the business continues to develop its clinical capabilities and improve its operational efficiency. These changes were implemented against a market backdrop of continuing minimal growth in the Private Healthcare sector.

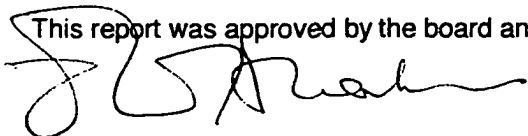
Revenue grew by 10% versus prior year although there was a small decline in margins. Overall EBITDA was flat at £181,000 (2018: £180,000).

The VAT inspection from last year has still not yet concluded and as a precaution a further liability in the accounts of £50,000 has been posted to cover the year ended February 2019.

Highlights of the year were further strengthening of self-pay and strong growth in retail pharmacy.

With the key enablers in place to allow for steady growth, we have strengthened the Executive team with the appointment of Tony Graff as CEO (Jan 2019), to accelerate change and transition the company to the next level. We are encouraged by an increase in the number of consultants who want to join and we are carefully growing our core specialist areas. The focus will continue to be on our core specialties of diabetes, ophthalmology and other interrelated specialist services but with increased energy to grow our market presence and reach and to increase the impact of new technologies on higher profitability.

This report was approved by the board and signed on its behalf.



N V Abraham
Director

Date: 10/07/2019

**DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2019**

The directors present their report and the audited financial statements for the year ended 28 February 2019.

Principal activity

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.

Results and dividends

The loss for the year, after taxation, amounted to £125,026 (2018: loss of £110,736).

The directors do not recommend the payment of a dividend (2018: £nil).

Directors

The directors who served during the year and up to the date of this report were:

A Amin
N V Abraham
D J McLaren
G P Wyatt
C V Abraham
R R Abraham
D Briggs
A D Graff (appointed, 20 June 2019)

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these audited financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the audited financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019**

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.

The potential withdrawal of the United Kingdom from the European Union

Due to the invocation of Article 50 of the Treaty on European Union by the United Kingdom, it is anticipated that the country will resign its position within the European Union during 2019. The terms of the future relationship between the UK and the EU are still unknown at the date of this report and it is impossible to assess in detail the opportunities and threats that such a resignation could present. The directors are managing these risk by closely monitoring developments, and are confident that the company will be able to amend and modify its procedures to remain fully compliant with any new rules or regulations, and to maintain its standing and reputation in the marketplace both locally and, where appropriate, throughout Europe and worldwide.

Post balance sheet events

An unsecured loan facility amounting to £200,000 was entered into in June 2019.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Provision of information to auditor

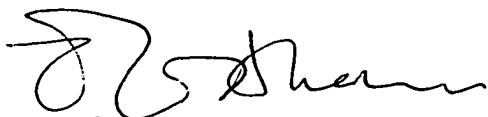
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



N V Abraham
Director

Date: 10/07/2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METABOLIC SERVICES LIMITED

Opinion

We have audited the financial statements of Metabolic Services Limited (the 'Company') for the year ended 28 February 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 3.

The terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METABOLIC SERVICES LIMITED

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

METABOLIC SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METABOLIC SERVICES LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Rachel Lawton (Senior statutory auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date: 16/07/2019

METABOLIC SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	Note	2019 £	Restated 2018 £
Turnover	4	18,676,445	16,857,759
Cost of sales		(12,665,895)	(11,269,607)
Gross profit		<u>6,010,550</u>	<u>5,588,152</u>
Administrative expenses		(6,235,906)	(5,790,628)
Other operating income	5	101,651	102,016
Operating loss		<u>(123,705)</u>	<u>(100,460)</u>
Interest payable and expenses	7	(457)	(10,276)
Loss before tax		<u>(124,162)</u>	<u>(110,736)</u>
Tax on loss	8	(864)	-
Loss for the financial year		<u>(125,026)</u>	<u>(110,736)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(125,026)</u>	<u>(110,736)</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 11 to 25 form part of these financial statements.

METABOLIC SERVICES LIMITED
REGISTERED NUMBER: 01837551

BALANCE SHEET
AS AT 28 FEBRUARY 2019

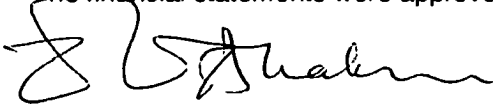
	Note	2019 £	2018 £
Fixed assets			
Intangible assets	9	90,244	126,909
Tangible assets	10	1,003,486	1,133,867
		<u>1,093,730</u>	<u>1,260,776</u>
Current assets			
Stocks	11	158,619	103,517
Debtors: amounts falling due within one year	12	1,038,349	1,363,837
Bank and cash balances		704,488	504,111
		<u>1,901,456</u>	<u>1,971,465</u>
Creditors: amounts falling due within one year	13	(2,439,716)	(2,457,352)
Net current liabilities		<u>(538,260)</u>	<u>(485,887)</u>
Total assets less current liabilities		<u>555,470</u>	<u>774,889</u>
Creditors: amounts falling due after more than one year	14	(112,580)	(210,987)
Provisions for liabilities			
Deferred tax	16	(864)	-
Provisions	17	(44,100)	(40,950)
		<u>(44,964)</u>	<u>(40,950)</u>
Net assets		<u><u>397,926</u></u>	<u><u>522,952</u></u>
Capital and reserves			
Called up share capital	18	130	130
Share premium account	19	476,895	476,895
Profit and loss account	19	(79,099)	45,927
Total equity		<u><u>397,926</u></u>	<u><u>522,952</u></u>

METABOLIC SERVICES LIMITED
REGISTERED NUMBER: 01837551

BALANCE SHEET (CONTINUED)
AS AT 28 FEBRUARY 2019

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 were approved and authorised for issue by the board and were signed on its behalf by:



N V Abraham
Director

Date: 10/07/2019

The notes on pages 11 to 25 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 March 2017 - unaudited	130	476,895	156,663	633,688
Comprehensive income for the year				
Loss for the year	-	-	(110,736)	(110,736)
Total comprehensive income for the year	-	-	(110,736)	(110,736)
Total transactions with owners	-	-	-	-
At 1 March 2018	130	476,895	45,927	522,952
Comprehensive income for the year				
Loss for the year	-	-	(125,026)	(125,026)
Total comprehensive income for the year	-	-	(125,026)	(125,026)
Total transactions with owners	-	-	-	-
At 28 February 2019	130	476,895	(79,099)	397,926

The notes on pages 11 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

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 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 (see note 3).

The following principal accounting policies have been applied:

2.2 Reclassification of prior year comparatives

The company has reclassified revenues amounting to £335,038 in the prior year to cost of sales as certain items were duplicated within invoices.

2.3 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The clinic's activity has increased with more outpatient visits. The company has invested in marketing and with the underlying growth in business, plus the renewal and extension of a third party loan amounting to £200,000 in June 2019, the directors 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, together with the renewal of the loan facility. 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 2019**

2. Accounting policies (continued)**2.4 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.

2.5 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.

2.6 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

2. Accounting policies (continued)**2.7 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.

2.8 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.

2.9 Pensions**Defined contribution pension plan**

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 in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

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 2019**

2. Accounting policies (continued)**2.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. 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.

2.11 Intangible assets

Intangible assets 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 ten years.

2.12 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

2. Accounting policies (continued)**2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 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 2019**

2. Accounting policies (continued)**2.17 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.

2.18 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty**Critical judgements in applying the company's accounting policies**

The directors consider there to be no critical judgements in applying the company's accounting policies.

Key sources of estimation uncertainty**Determining useful economic lives of intangible and tangible fixed assets**

The Company depreciate intangible and tangible a fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on variety of factors, including technological innovation, product life cycles and maintenance programmes.

The judgement is applied by management when determining the residual values for intangible and tangible fixed assets. When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful life. Where possible this is done with reference to external market prices.

Recoverability of debtors

The company establishes a provision for debtors that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the debtors, past experience of recoverability, and the credit profile of individual or groups of customers.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	Reclassified 2018 £
Turnover	18,676,445	16,857,759
	<u>18,676,445</u>	<u>16,857,759</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2019 £	2018 £
Other operating income - rental income	101,651	102,016
	<u>101,651</u>	<u>102,016</u>

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

6. Employees

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

	2019 No.	2018 No.
Employees	47	39

7. Interest payable and similar expenses

	2019 £	2018 £
Interest payable	457	10,276
	457	10,276

8. Taxation

	2019 £	2018 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(1,867)	-
Adjustments in respect of prior periods	2,731	-
Total deferred tax	864	-
Taxation on profit on ordinary activities	864	-

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

8. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.08%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	(124,162)	(110,736)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.08%)	(23,591)	(21,134)
Effects of:		
Fixed asset differences	20,979	104,601
Expenses not deductible for tax purposes	526	3,807
Adjustments to tax charge in respect of previous periods - deferred tax	2,731	-
Adjust closing deferred tax to average rate of 19.00%	(102)	(335)
Adjust opening deferred tax to average rate of 19.00%	321	(9,498)
Deferred tax not recognised	-	(77,441)
Total tax charge for the year	864	-

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% was substantively enacted in July 2015 and took effect from 1 April 2017. A further reduction in the UK corporation tax rate to 17% from 1 April 2020, was substantively enacted in September 2016.

The company has an unrecognised deferred tax asset of £34,934 (2018: liability of £77,441).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

9. Intangible assets

	Software £
Cost	
At 1 March 2018	232,668
Additions	21,579
At 28 February 2019	<u>254,247</u>
Amortisation	
At 1 March 2018	105,759
Charge for the year	58,244
At 28 February 2019	<u>164,003</u>
Net book value	
At 28 February 2019	<u>90,244</u>
At 28 February 2018	<u>126,909</u>

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

10. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 March 2018	1,726,651	674,008	2,400,659
Additions	4,690	117,198	121,888
Disposals	(5,390)	-	(5,390)
At 28 February 2019	1,725,951	791,206	2,517,157
Depreciation			
At 1 March 2018	1,000,680	266,112	1,266,792
Charge for the year	117,584	129,295	246,879
At 28 February 2019	1,118,264	395,407	1,513,671
Net book value			
At 28 February 2019	607,687	395,799	1,003,486
At 28 February 2018	725,971	407,896	1,133,867

11. Stocks

	2019 £	2018 £
Stock	158,619	103,517
	158,619	103,517

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

12. Debtors

	2019	2018
	£	£
Trade debtors	508,524	1,002,978
Other debtors	203,668	211,764
Prepayments and accrued income	326,157	149,095
	<u>1,038,349</u>	<u>1,363,837</u>

13. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Other loans	37,500	87,500
Trade creditors	1,824,612	1,978,407
Other taxation and social security	268,769	84,468
Net obligations under finance leases and hire purchase contracts	90,876	71,229
Other creditors	55,000	55,000
Accruals and deferred income	162,959	180,748
	<u>2,439,716</u>	<u>2,457,352</u>

The loan bears interest at the base rate + 2.25% and is unsecured.

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

	2019	2018
	£	£
Net obligations under finance leases and hire purchase contracts	112,580	210,987
	<u>112,580</u>	<u>210,987</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

15. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	90,876	71,229
Between 1-5 years	112,580	210,987
	<u>203,456</u>	<u>282,216</u>

16. Deferred taxation

	2019 £
Charged to profit or loss	(864)
At end of year	<u>(864)</u>

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Fixed asset timing differences	(864)	-
	<u>(864)</u>	<u>-</u>

17. Provisions

	Dilapidation provision £
At 1 March 2018	40,950
Charged to profit or loss	3,150
At 28 February 2019	<u>44,100</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

18. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
130,000 (2018: 130,000) Ordinary shares of £0.001 each	130	130

The Company has one class of ordinary shares which carry voting rights but no rights to fixed income.

19. 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.

20. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £17,387 (2018: £11,300). At the year end £3,419 was due by the company to the pension scheme (2018: £nil).

21. Commitments under operating leases

At 28 February 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	669,253	670,686
Later than 1 year and not later than 5 years	2,330,045	2,666,356
Later than 5 years	-	596,491
	<u>2,999,298</u>	<u>3,933,533</u>

22. Related party transactions

During the year purchases of £25,200 (2018: £8,400) were made with McLaren and Partners Limited and £45,017 (2018: £nil) with C Abraham, none of which remained outstanding at year end. These are companies under common control.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

23. Post balance sheet events

An unsecured loan facility amounting to £200,000 was entered into in June 2019.

24. 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.