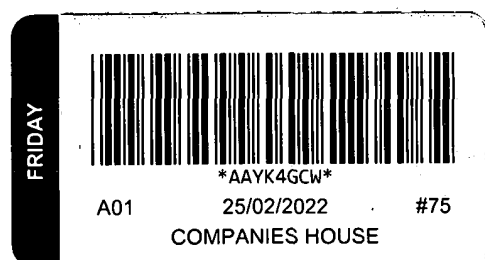


Metabolic Services Limited (trading as London Medical)

Registered number: 01837551

Annual Report

For the year ended 28 February 2021



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

METABOLIC SERVICES LIMITED

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METABOLIC SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

The directors present their annual report and the audited financial statements for the year ended 28 February 2021.

Principal activity

The principal activity of the Company continued to be that of operating a unique private out-patient medical clinic and pharmacy, 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 £1,500,314 (2020: loss of £27,026).

The directors do not recommend the payment of a dividend (2020: £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

Directors' responsibilities statement

The directors are responsible for preparing 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; 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.

METABOLIC SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

Going concern

The Company made a loss of £1,500,314 (2020: loss of £27,026) in the year and at the balance sheet date had net liabilities of £1,129,414 (2020: assets of £370,900). The directors believe that actions taken during the financial year to secure loan financing and defer payment of existing debt will allow the Company to meet its debts as they fall due.

The directors review and update long and short-term profit and loss and cash flow forecasts monthly. The directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. Potential sources of uncertainty noted by the directors include continuing Covid pandemic impact on people and the economy and unexpected impacts due to the withdrawal of the United Kingdom from the European Union. At the date of this report it is not possible to reliably determine the effects that these events will have on the Company. Accordingly the directors have continued to prepare the financial statements on the going concern basis.

The withdrawal of the United Kingdom from the European Union

New trading arrangements between the United Kingdom and the European Union took effect on 31 December 2020. In general, tariffs and quotas on trade have not been introduced, although administrative complications and regulatory restrictions have reduced the freedom of cross-border trade. The Company is carefully monitoring the practical application of the new trading arrangements by regulatory authorities, to better understand what the eventual impact on its business will be. The process of determining these effects is ongoing, and has also been delayed by the suspension of certain sectors of economic activity in response to the COVID-19 pandemic.

Economic impact of the COVID-19 pandemic

The COVID-19 pandemic continues to affect the UK and global economies adversely. At the time of signing this report there are indications from the government that social restrictions which have suppressed economic activity during 2020 and 2021 are likely to be lifted in the foreseeable future. If this does happen the director expects to see the UK and global economies return to growth in due course, but it is not possible to predict how quickly and to what degree this may happen. The priorities of the directors remain to comply with all regulatory requirements to the fullest extent possible, and to maintain the safety and well-being of the Company's personnel.

Post balance sheet events

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

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.

METABOLIC SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2021**

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:



A D Graff
Director

Date: Dec 16, 2021

METABOLIC SERVICES LIMITED

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 2021 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 2021 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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

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 course of 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

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 1, 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 either 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

METABOLIC SERVICES LIMITED

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

Our audit procedures in relation to fraud included but were not limited to:

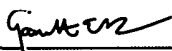
- making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.



Gareth Jones (Partner) (Dec 16, 2021 21:32 GMT)

Gareth Jones (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: Dec 16, 2021

METABOLIC SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2021**

	Note	2021 £	2020 £
Turnover		12,004,358	13,919,042
Cost of sales		(9,256,289)	(9,828,845)
Gross profit		<u>2,748,069</u>	<u>4,090,197</u>
Administrative expenses		(4,469,043)	(4,516,705)
Other operating income	3	255,847	428,483
Operating (loss)/profit		<u>(1,465,127)</u>	<u>1,975</u>
Interest receivable and similar income		-	5,859
Interest payable and similar expenses		(13,334)	(4,512)
(Loss)/profit before tax		<u>(1,478,461)</u>	<u>3,322</u>
Tax on (loss)/profit		(21,853)	(30,348)
Loss for the financial year		<u>(1,500,314)</u>	<u>(27,026)</u>
Other comprehensive income		-	-
Total comprehensive expense for the year		<u>(1,500,314)</u>	<u>(27,026)</u>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 12 to 26 form part of these financial statements.

METABOLIC SERVICES LIMITED
REGISTERED NUMBER: 01837551

BALANCE SHEET
AS AT 28 FEBRUARY 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	5	181,362	176,689
Tangible assets	6	593,381	828,635
		<u>774,743</u>	<u>1,005,324</u>
Current assets			
Stocks	7	98,782	118,270
Debtors: amounts falling due within one year	8	1,228,324	1,283,901
Cash at bank and in hand		71,684	1,053,429
		<u>1,398,790</u>	<u>2,455,600</u>
Creditors: amounts falling due within one year	9	(2,565,660)	(2,754,381)
Net current liabilities		<u>(1,166,870)</u>	<u>(298,781)</u>
Total assets less current liabilities		<u>(392,127)</u>	<u>706,543</u>
Creditors: amounts falling due after more than one year	10	(582,002)	(257,181)
Provisions for liabilities			
Deferred tax	13	(53,065)	(31,212)
Provisions	14	(102,220)	(47,250)
		<u>(155,285)</u>	<u>(78,462)</u>
Net (liabilities)/assets		<u>(1,129,414)</u>	<u>370,900</u>
Capital and reserves			
Called up share capital	15	130	130
Share premium account	16	476,895	476,895
Profit and loss account	16	(1,606,439)	(106,125)
Total equity		<u>(1,129,414)</u>	<u>370,900</u>

METABOLIC SERVICES LIMITED
REGISTERED NUMBER: 01837551

BALANCE SHEET (CONTINUED)
AS AT 28 FEBRUARY 2021

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:



A D Graff
Director

Date: Dec 16, 2021

The notes on pages 12 to 26 form part of these financial statements.

METABOLIC SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 March 2019	130	476,895	(79,099)	397,926
Comprehensive expense for the year				
Loss for the year	-	-	(27,026)	(27,026)
Total comprehensive expense for the year	-	-	(27,026)	(27,026)
Total transactions with owners	-	-	-	-
At 1 March 2020	130	476,895	(106,125)	370,900
Comprehensive expense for the year				
Loss for the year	-	-	(1,500,314)	(1,500,314)
Total comprehensive expense for the year	-	-	(1,500,314)	(1,500,314)
Total transactions with owners	-	-	-	-
At 28 February 2021	130	476,895	(1,606,439)	(1,129,414)

The notes on pages 12 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

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 and pharmacy, specialising in the fields of diabetes, ophthalmology, heart disease and other related conditions.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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.

The following principal accounting policies have been applied:

2.2 Prior year adjustment

The prior year adjustment relates to the reclassification of costs of £1,875,687 from administrative expenses to cost of sales. There is no impact on profit for the year.

2.3 Going concern

The Company made a loss of £1,500,314 (2020: loss of £27,026) in the year and at the balance sheet date had net liabilities of £1,129,414 (2020: assets of £370,900). The directors believe that actions taken during the financial year to secure loan financing and defer payment of existing debt will allow the Company to meet its debts as they fall due.

The directors review and update long and short-term profit and loss and cash flow forecasts monthly. The directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. Potential sources of uncertainty noted by the directors include continuing Covid pandemic impact on people and the economy and unexpected impacts due to the withdrawal of the United Kingdom from the European Union. At the date of this report it is not possible to reliably determine the effects that these events will have on the Company. Accordingly the directors have continued to prepare the financial statements on the going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

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

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

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 profit or loss 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 2021**

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 Government grants

The UK government has offered a range of financial support packages to help companies, including government backed financing arrangements, furlough schemes, deferment of VAT payments and, for some sectors, business rates holidays.

The Company has taken advantage of the Coronavirus Job Retention Scheme (CJRS) as shown in note 3. This has been accounted for as a government grant under the accruals model as permitted by FRS 102. They are recognised when the entity has reasonable assurance that they will comply with the conditions attaching the grant, and that the grant will be received. Grants relating to expenditure on wages and salaries are credited to 'other operating income' within the Statement of Comprehensive Income.

2.9 Interest receivable and similar income

Interest receivable and similar income is recognised in profit or loss using the effective interest method.

2.10 Interest payable and similar expenses

Interest payable and similar expenses are charged to profit or loss 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.

2.11 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 profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability 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 2021**

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.13 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.

Software	2 - 4 years
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2.14 Tangible 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 2021**

2. Accounting policies (continued)

2.14 Tangible 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:

Leasehold improvements	- 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 profit or loss.

2.15 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.

2.16 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.

2.17 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.

2.18 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 2021**

2. Accounting policies (continued)

2.19 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 profit or loss 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.

2.20 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 and loans to related parties.

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 2021**

2. Accounting policies (continued)**2.21 Government loans**

The company has taken advantage of the government's Coronavirus Business Interruption Loan Scheme (CBILS). This has been accounted for as a basic financial instrument under the amortised cost method using an effective interest rate as permitted by FRS 102. The loan secured by the company is debited to cash and credited to other loans within the Statement of Financial Position. Finance charges are presented in the Statement of Comprehensive Income within 'interest payable and similar expenses'.

3. Other operating income

	2021 £	2020 £
Rental income	21,881	102,538
VAT receivable	-	114,592
Reversal of VAT provision	-	211,353
Government grant	233,966	-
	<u>255,847</u>	<u>428,483</u>

The government grant of £233,966 (2020: £nil) relates to the Coronavirus Job Retention Scheme (CJRS) that the Company received during the year.

4. Employees

The average monthly number of employees, including directors, during the year was 46 (2020: 48).

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

5. Intangible assets

	Software £
Cost	
At 1 March 2020	413,775
Additions	78,380
	<hr/>
At 28 February 2021	492,155
	<hr/>
Amortisation	
At 1 March 2020	237,086
Charge for the year	73,707
	<hr/>
At 28 February 2021	310,793
	<hr/>
Net book value	
At 28 February 2021	181,362
	<hr/>
At 29 February 2020	176,689
	<hr/>

Amortisation charge for the year is included within 'administrative expenses'.

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

6. Tangible assets

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost			
At 1 March 2020	1,790,840	792,315	2,583,155
Additions	4,511	62,296	66,807
At 28 February 2021	<u>1,795,351</u>	<u>854,611</u>	<u>2,649,962</u>
Depreciation			
At 1 March 2020	1,238,396	516,124	1,754,520
Charge for the year	152,171	149,890	302,061
At 28 February 2021	<u>1,390,567</u>	<u>666,014</u>	<u>2,056,581</u>
Net book value			
At 28 February 2021	<u>404,784</u>	<u>188,597</u>	<u>593,381</u>
At 29 February 2020	<u>552,444</u>	<u>276,191</u>	<u>828,635</u>

Depreciation charge for the year is included within 'administrative expenses'.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Fixtures and fittings	85,676	172,463
	<u>85,676</u>	<u>172,463</u>

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

7. Stocks

	2021	2020
	£	£
Stock	98,782	118,270
	<u>98,782</u>	<u>118,270</u>

Stock is stated after a provision of £nil (2020: £nil).

8. Debtors: amounts falling due within one year

	2021	2020
	£	£
Trade debtors	738,323	595,061
Amounts owed by group undertakings	113,378	-
Other debtors	220,663	353,160
Prepayments and accrued income	155,960	335,680
	<u>1,228,324</u>	<u>1,283,901</u>

Trade debtors is stated after a bad debt provision of £269,951 (2020: £93,147).

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

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

9. Creditors: amounts falling due within one year

	2021 £	2020 £
Other loans	78,333	50,000
Trade creditors	1,622,889	2,301,967
Amounts owed to related party	-	46,154
Other taxation and social security	174,726	54,428
Net obligations under finance leases and hire purchase contracts	38,504	34,711
Other creditors	174,702	54,970
Accruals and deferred income	476,506	212,151
	<u>2,565,660</u>	<u>2,754,381</u>

The other loan bears interest at the base rate + 2.25% and is secured by a debenture creating a fixed and floating charges. Although the entity has a positive cash balance, it is in an overall net liability position. Royal Bank of Scotland has security in the form of all assets of the company, covering all liabilities owing to RBS by Metabolic Services.

Amounts owed to related party are unsecured and bear interest at 3% (2020: 3%).

10. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other loans	582,002	150,000
Net obligations under finance leases and hire purchase contracts	-	53,335
Amounts owed to related party	-	53,846
	<u>582,002</u>	<u>257,181</u>

The other loan bears interest at the base rate + 2.25% and is secured by a debenture creating a fixed and floating charges. Although the entity has a positive cash balance and is in an overall net asset position, Royal Bank of Scotland has security in the form of all assets of the company, covering all liabilities owing to RBS by London Medical.

Amounts owed to related party are unsecured and bear interest at 3% (2020: 3%).

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

11. Loans

Analysis of the maturity of loans is given below:

	28 February 2021 £	29 February 2020 £
Amounts falling due within one year		
Other loans	78,333	50,000
	<u>78,333</u>	<u>50,000</u>
Amounts falling due 1-2 years		
Other loans	302,001	150,000
	<u>302,001</u>	<u>150,000</u>
Amounts falling due 2-5 years		
Other loans	280,001	-
	<u>280,001</u>	<u>-</u>
	<u>660,335</u>	<u>200,000</u>

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	38,504	34,711
Between 1-5 years	-	53,335
	<u>38,504</u>	<u>88,046</u>

Finance leases are secured against fixture and fittings.

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

13. Deferred taxation

	2021 £	2020 £
At beginning of year	(31,212)	(864)
Charged to profit or loss	(21,853)	(30,348)
At end of year	<u>(53,065)</u>	<u>(31,212)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Fixed asset timing differences	(53,984)	(62,766)
Short term timing differences	919	822
Recoverable assets	-	30,732
	<u>(53,065)</u>	<u>(31,212)</u>

The Company also has unrecognised deferred tax assets of £276,400 (2020: £nil). As it is currently unclear as to when the Company will be profitable, no deferred tax asset has been recognised.

14. Provisions

	Dilapidation provision £
At 1 March 2020	47,250
Charged to Statement of Comprehensive Income	54,970
At 28 February 2021	<u><u>102,220</u></u>

Dilapidations relate to the restoration of leased property.

METABOLIC SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

15. Called up share capital

	2021 £	2020 £
Allotted, called up and fully paid		
130,000 (2020: 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.

16. 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.

17. Prior year adjustment

The prior year adjustment relates to the reclassification of costs of £1,875,687 from administrative expenses to cost of sales. There is no impact on profit for the year.

18. 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. At the year end £20,493 was due by the company to the pension scheme (2020: £4,835).

19. Commitments under operating leases

At 28 February 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	698,596	698,596
Later than 1 year and not later than 5 years	1,066,951	1,765,547
	<u>1,765,547</u>	<u>2,464,143</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

20. Related party transactions

During the year purchases of £nil (2020: £4,200) were made with McLaren and Partners Limited and £46,473 (2020: £52,536) with C Abraham, none of which remained outstanding at year end. These are entities in which the directors have a common interest.

The company received a shareholder loan of £100,000 (2020: £100,000) which accrues an interest at 3%. This amount is included within amounts owed to related party in creditors.

The Company has taken advantage of the exemption under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly-owned members of the group.

21. Post balance sheet events

A grant of £300,000 was made by shareholders in August 2021 to support the planned medium and long-term growth objectives.

22. Controlling party

Up to 6 August 2020, the ultimate controlling party of the Company was the directors R Abraham and C Abraham by virtue of their majority shareholding in the Company.

On 6 August 2020, there was a change in ownership structure and Metholdco Ltd became immediate and ultimate parent company registered in England and Wales. The registered office address of the Company is 49 Marylebone High Street, London, England, W1U 5HJ. This company is controlled by R Abraham and C Abraham.

The smallest and largest group into which the entity is consolidated is Metholco Ltd, a company registered in England and Wales. The registered office address is 49 Marylebone High Street, London, England, W1U 5HJ. Copies of the accounts for Metholdco Ltd are available to the public and may be obtained from 49 Marylebone High Street, London, England, W1U 5HJ.