

Company Registration No. 07177066 (England and Wales)

BALTIC MEDICAL CENTRE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

PAGES FOR FILING WITH REGISTRAR

WEDNESDAY



A9HLZZDT

A17

11/11/2020

#341

COMPANIES HOUSE

BALTIC MEDICAL CENTRE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	£	2019 £	£	2018 £
Non-current assets					
Property, plant and equipment	3		988,424		17,584
Current assets					
Inventories		13,758		11,578	
Trade and other receivables	4	81,611		69,448	
Cash and cash equivalents		157,977		414,651	
		253,346		495,677	
Current liabilities	5	(176,850)		(137,946)	
Net current assets			76,696		357,731
Total assets less current liabilities			1,065,120		375,315
Non-current liabilities	6		(603,773)		-
Provisions for liabilities			(68,000)		-
Net assets			393,347		375,315
Equity					
Called up share capital	7		100		100
Retained earnings			393,247		375,215
Total equity			393,347		375,315

The director of the company has elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved and signed by the director and authorised for issue on 20/10/20

.....
D. Bumelyte
Director

Company Registration No. 07177056

BALTIC MEDICAL CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Baltic Medical Centre Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 121, Meridian Place, London, E14 9FE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in pound sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound sterling.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The company meets its day-to-day working capital requirements through maintaining a healthy level of liquidity and the director is satisfied that the company is well placed to ensure that it can continue to meet its liabilities as they fall due.

However, the director accepts that the current, exceptional and ever changing, economic climate will present challenges to the company during 2020 and there remains uncertainty as to how this will affect the results of the company for the forthcoming financial year. Notwithstanding this, the company has a healthy level of financial and cash resources to help withstand the challenging period ahead.

As with any company facing such exceptional circumstances, the director acknowledges that there can be no certainty as to the overall impact on the company's financial performance and position, although at the date of approval of these financial statements the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the director continues to adopt the going concern basis in preparing the annual report and accounts.

1.3 Revenue

Revenue represents amounts receivable from the provision of medical services supplied during the year. Revenue is stated net of discounts and value added tax.

Revenue from medical services is recognised by reference to the stage of completion of the contract determined by the value of the services provided at the balance sheet date as a proportion of the total value of the engagement. Where the amount of revenue is contingent on future events, this is only recognised where the amount of revenue can be measured reliably and it is probable that the economic benefits will be received. When this cannot be estimated reliably, revenue is only recognised to the value of the expenses that it is considered probable will be recovered, with a catch-up element of revenue recognised based on stage of completion once a reliable estimate can be made. Medical services provided to the client which at the balance sheet date have not been billed have been recognised as revenue and are included in debtors as accrued income.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

BALTIC MEDICAL CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Straight line over the lease term
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the income statement.

1.5 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

1.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in the income statement.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and are represented by cash deposits held at the company's primary bank and cash in hand.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

BALTIC MEDICAL CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

BALTIC MEDICAL CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 6 (2018 - 5). No remuneration was paid to the company director in either accounting period.

3 Property, plant and equipment

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2019	-	85,044	85,044
Additions	913,453	66,773	980,226
At 31 December 2019	913,453	151,817	1,065,270
Depreciation and impairment			
At 1 January 2019	-	67,460	67,460
Depreciation charged in the year	-	9,386	9,386
At 31 December 2019	-	76,846	76,846
Carrying amount			
At 31 December 2019	913,453	74,971	988,424
At 31 December 2018	-	17,584	17,584

During the year, the company entered into a new operating lease on premises that will operate as a new medical centre and works totalling £913,453 were undertaken on the site during 2019. At the year end, the company had committed to incur a further £30,000 of additional costs on the premises.

BALTIC MEDICAL CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Trade and other receivables	2019	2018
	£	£
Amounts falling due within one year:		
Trade receivables	-	378
Corporation tax recoverable	28,050	-
Other receivables	16,661	62,170
	<u>44,711</u>	<u>62,548</u>
Amounts falling due after more than one year:		
Rent deposits (repayable at the end of the lease term)	36,900	6,900
	<u>81,611</u>	<u>69,448</u>
Total debtors		
	<u>81,611</u>	<u>69,448</u>
5 Current liabilities	2019	2018
	£	£
Trade payables	78,047	67,024
Amounts due to fellow group undertakings	959	959
Corporation tax	-	28,050
Other taxation and social security	-	2,666
Other payables	97,644	39,247
	<u>176,650</u>	<u>137,946</u>
6 Non-current liabilities	2019	2018
	£	£
Other payables	603,773	-
	<u>603,773</u>	<u>-</u>

During the year, the company secured a loan with an entity under common control, in order to finance the development of leasehold premises to be used for medical services. Interest is paid on the loan at 3% per annum and the loan is repayable from October 2023 over a 12 month period.

The total loan facility provided to the company was £1 million, of which £603,773 had been drawn by 31 December 2019.

BALTIC MEDICAL CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid 100 Ordinary shares of £1 each	100	100

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Michael James Berry ACA CTA.

The auditor was Citroen Wells.

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019 £	2018 £
Within one year	151,879	31,879
Between two and five years	536,267	87,667
In over five years	1,126,885	-
	1,815,031	109,417

BALTIC MEDICAL CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Events after the reporting date

The World Health Organization declared the Coronavirus (COVID-19) outbreak a pandemic on 11 March 2020. The pandemic, and the measures to control its human impact, have resulted in disruptions to economic activity and business operations worldwide.

As a consequence of the level of restrictions and advisories from the UK government, medical centres were closed between March and June 2020. This had an immediate financial impact on the company and, notwithstanding that the medical centres are now operational, there could be further financial implications in the future depending on factors such as the continued duration and spread of the outbreak and the effects on the financial markets and economy overall. The outcome of all these factors is highly uncertain.

The company has undertaken an assessment of its business plans, as part of its business continuity and contingency planning, and the director believes it is well placed financially and operationally to withstand the uncertainties ahead. The company continues to have the wider support of its group and is able to draw down on an available loan facility should it be required. At the date of approval of the financial statements, the company is unable to determine a reliable estimate of the financial impact of COVID-19 on its profitability, liquidity and financial position. However, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements.

11 Parent company

The company is a subsidiary of Northway Holdings Limited, a company incorporated in England & Wales (registration number: 04691066), with its registered office address at Unit 121 Meridian Place, London, E14 9FE.

The ultimate controlling party is The Bumells Family Trust.