

Company registration number 02446392 (England and Wales)

MOBILE DOCTORS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

MOBILE DOCTORS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents the strategic report for the year ended 31 December 2022.

Review of the business

The statement of financial position shows the company's financial position at the year end. The company's turnover for the year was £4,984,601(2021: £6,672,429). The decrease in turnover is linked to a reduction in instructions from a key customer prior to the acquisition by Kuro Health Limited in March 2021. The net assets as at 31 December 2022 were £1,755,698 (2021: £804,551).

The COVID-19 pandemic started to impact the company in early 2020. National lockdowns in 2020 and 2021 created issues in supply chains and have extended case life cycles due to the availability of medical experts, medical records and court dates.

The introduction of the Official Injury Claim Portal in May 2021, has resulted in the total number of cases in the market reducing, however this has not had a significant negative impact on the performance of the company. The company has been impacted by the change in collection profiles, however the Directors believe that any change in collection profile in the short term will reverse in the long term, as the services provided support access to justice for individual claimants.

The above mean the results are not easily comparable to preceding years.

Given some of the challenges that have been faced over the last three years, the directors are satisfied with the performance of the company for the year ended 31 December 2022 and with its balance sheet position at this date.

Key performance indicators are disclosed below.

Principal risks and uncertainties

Legislative risk

The industry in which the group operates has been affected by uncertainty caused by the Chancellors announcement in the 2015 Autumn Statement that they will abolish general damages for 'minor' soft tissue claims which was proposed to include whiplash injuries. The reforms have been implemented in May 2021 and present both a risk and an opportunity to future volumes.

Credit and cashflow risk

The company gives long credit terms to many of its customers. This is abrogated by reconciling regularly and issuing any credit notes promptly. The company monitors its short and middle term cash requirements and makes sure it has adequate funds to pay liabilities as they fall due.

Development and performance

The industry in which the company operates is expected to change following the introduction of the Official Injury Claims Portal. There has been a reduction in the total number of cases following implementation of the portal, although this has not had a significant negative impact on the performance of the company. There is currently uncertainty on the impact the portal will have on collection profiles, and this has an impact on company's cash flows. The Directors remain of the opinion that any change in collection profile in the short term will reverse in the long term as the services provided support access to justice for individual claimants.

The company intends to consolidate its position in core markets to successfully manage any uncertainty caused by the reforms discussed, whilst exploring growth opportunities in adjacent markets

MOBILE DOCTORS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Other performance indicators

Key performance indicators used by the company were as follows:

	31.12.2022	31.12.2021 as restated
Turnover	£4,984,601	£6,672,429
Gross margin	22.8%	16.5%
Profit/(Loss) before tax	(£61,452)	(£154,091)
PBT / Revenue	-1.2%	-2.3%
Average employee Nos	49	56
Debtor days	447	346
Net Assets	£1,755,698	£804,551

Subsequent Events

There were no subsequent events.

On behalf of the board

Mrs R E Reid
Director

27 September 2023

MOBILE DOCTORS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents her annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of the provision of medical services, in particular independent expert medical evidence, to the insurance industry and legal fraternity, together with the provision of occupational health services to industry in general. The company is incorporated and domiciled in England and Wales.

Results and dividends

The results for the year are set out on page 8.

The director records payment of a final dividend amounting to £nil.

Director

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs R E Reid

Future developments

The industry in which the company operates is expected to change following the introduction of the Official Injury Claims Portal. There has been a reduction in the total number of cases following implementation of the portal, although this has not had a significant negative impact on the performance of the company. There is currently uncertainty on the impact the portal will have on collection profiles, and this has an impact on company's cash flows. The Directors remain of the opinion that any change in collection profile in the short term will reverse in the long term as the services provided support access to justice for individual claimants.

The company intends to consolidate its position in core markets to successfully manage any uncertainty caused by the reforms discussed, whilst exploring growth opportunities in adjacent markets.

Corporate governance

The auditor, Price Bailey LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mrs R E Reid

Director

27 September 2023

MOBILE DOCTORS LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless she is 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 financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 enable them to ensure that the financial statements comply with the Companies Act 2006. She is 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.

MOBILE DOCTORS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF MOBILE DOCTORS LIMITED

Opinion

We have audited the financial statements of Mobile Doctors Limited (the 'Company') for the year ended 31 December 2022, which comprise of the Statement of Comprehensive Income, the Balance Sheet, Statement of Changes in Equity, and the related notes, 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 Financial Reporting Standard 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 31 December 2022 and of its profit or 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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. 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 this gives rise to a material misstatement in the financial statements themselves. 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.

MOBILE DOCTORS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF MOBILE DOCTORS LIMITED

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 the 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.

Responsibilities of director

As explained more fully in the Directors' Responsibilities Statement, 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 either 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 Auditors' 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of the company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting, tax legislation and distributable profits. In relation to the industry this included consideration of the Company's Medco status, employment law and health & safety. The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit.

MOBILE DOCTORS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF MOBILE DOCTORS LIMITED

We carried out specific procedures to address the risks identified. These included the following:

- Reviewing legal fees incurred;
- Reviewing minutes of meetings of those charged with governance;
- Enquiring of management including those responsible for the key regulations;
- Reviewing the latest Medco Report with consideration of the policies and procedures in place to ensure the company is compliant with Medco and the response from management in implementing recommendations and guidance highlighted by Medco in the most recent review.
- Reviewing the key accounting policies and estimates
- Agreeing the financial statement disclosures to underlying supporting documentation.

To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions to identify large or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

Use of our 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 Auditors' 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.

Darren Amott (Senior Statutory Auditor)
For and on behalf of Price Bailey LLP

28 September 2023

**Chartered Accountants
Statutory Auditors**

3rd Floor, 24 Old Bond Street
London
W1S 4AP

MOBILE DOCTORS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	as restated £
Turnover	3	4,984,601	6,672,429
Cost of sales		(3,849,194)	(5,569,698)
Gross profit		1,135,407	1,102,731
Administrative expenses		(1,130,172)	(1,238,783)
Operating profit/(loss)	4	5,235	(136,052)
Interest payable and similar expenses	7	(66,687)	(18,039)
Loss before taxation		(61,452)	(154,091)
Tax on loss	8	19,931	14,913
Loss for the financial year		(41,521)	(139,178)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

MOBILE DOCTORS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	9		995		995
Tangible assets	10		39,235		19,547
			<u>40,230</u>		<u>20,542</u>
Current assets					
Debtors - deferred tax	15	5,905		23,846	
Debtors - other	11	7,724,849		7,985,754	
Cash at bank and in hand		50,643		483,892	
		<u>7,781,397</u>		<u>8,493,492</u>	
Creditors: amounts falling due within one year	12	<u>(6,052,429)</u>		<u>(7,592,983)</u>	
Net current assets			<u>1,728,968</u>		<u>900,509</u>
Total assets less current liabilities			<u>1,769,198</u>		<u>921,051</u>
Provisions for liabilities					
Provisions	14	13,500		116,500	
		<u>(13,500)</u>		<u>(116,500)</u>	
Net assets			<u>1,755,698</u>		<u>804,551</u>
Capital and reserves					
Called up share capital	17		1,000,000		7,332
Capital redemption reserve	18		2,668		2,668
Profit and loss reserves			753,030		794,551
Total equity			<u>1,755,698</u>		<u>804,551</u>

The financial statements were approved and signed by the director and authorised for issue on 27 September 2023

Mrs R E Reid
Director

Company Registration No. 02446392

MOBILE DOCTORS LIMITED

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

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2021:					
Balance at 1 January 2021		7,332	2,668	21,278,870	21,288,870
Year ended 31 December 2021:					
Loss and total comprehensive income for the year		-	-	(139,178)	(139,178)
Dividends		-	-	(20,345,141)	(20,345,141)
Balance at 31 December 2021		7,332	2,668	794,551	804,551
Year ended 31 December 2022:					
Loss and total comprehensive income for the year		-	-	(41,521)	(41,521)
Issue of share capital	17	992,668	-	-	992,668
Balance at 31 December 2022		1,000,000	2,668	753,030	1,755,698

MOBILE DOCTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Mobile Doctors Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4 The Courtyard, Calvin Street, Bolton, BL1 8PB.

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.

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

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' paragraph 3.17(d);
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Mobile Doctors Limited is a wholly owned subsidiary of Kuro Health Limited and the financial statements of the company are consolidated in the financial statements of Kuro Health Limited. These consolidated financial statements are available from its registered office, 4th Floor, Park Gate, 161-163 Preston Road, Brighton, East Sussex, BN1 6AF.

MOBILE DOCTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.2 Going concern

The financial statements have been prepared on a going concern basis. Forecasts have been prepared that show the Company will have sufficient liquidity to meet its financial obligations for a period of at least 12 months from the date of this financial report.

This assessment undertaken by the Directors has been predominantly considered from a cash-flow perspective, as the group operating profits remain positive, supported by a strong balance sheet. The Directors have considered the implications of current rates of inflation and wider market conditions. To ensure the Business continues to operate as a going concern, the Company continually monitor the longer-term impacts of the pandemic on key stakeholders caused by issues such as court delays and availability of medical experts, which have extended case life cycles.

The Directors have also considered the impact of the Official Injury Claims portal, implemented on the 31st May 2021. The Directors monitor both internal and external key performance indicators for the work generated via the new portal, including volume of cases, instructions received and case cycle times. However, case cycle times have extended and there is uncertainty when collection profiles will return to pre OIC portal levels. This has an impact on Group's cash flows. The Directors remain of the opinion that any change in collection profile in the short term will reverse in the long term as the services provided support access to justice for individual claimants. However, there remains a level of uncertainty around collections, due to limited number of cases that have settled during the first two years of operation for the new portal.

The Directors have implemented a number of strategies to mitigate the impact of the change in collection profiles discussed above. These strategies include a review of all commercial arrangements, operational processes and associated costs and have the aim to reduce the working capital requirements of the Group in both short term and long term.

The Company along with the wider Group, have a long-term and close working relationship with its bankers. The Group's facilities have been renegotiated during the year with a temporary increase invoice discounting facility, as well as drawing on other short-term finance that has been made available. Facilities have been agreed until August 2024 at a level consistent with forecasted requirements. The Group and the shareholders have confirmed they will support the working capital requirements if necessary via loans and personal guarantees.

The Directors have prepared forecasts for a period of more than 12 months from the date of approval of these financial statements and are confident that the sources of funding available, together with the mitigation strategies that are in place, will provide sufficient liquidity until the issues with the Official Injury Claims Portal are resolved.

The Company and Group is well funded and capitalised, and despite the uncertainty above, the Directors believe that it is appropriate to prepare the accounts on a going concern basis.

1.3 Turnover

Turnover is recorded at the fair value of the consideration receivable in the normal course of business, net of VAT, other sales related taxes and discounts.

The company provides services in the medical legal sector. Medical work is contracted for delivery over an agreed period, typically ending at the settlement of the legal medical claim. Requests for payments are issued at predetermined points in the process according to contract and are recorded as turnover. At the balance sheet date, the company accrues for turnover in respect of services performed but un-invoiced, accrued income is included within other debtors. Any associated expected costs of services provided are accrued and included in other creditors.

MOBILE DOCTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Software	3 to 5 years
Licences	not required to be amortised

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Fixtures and fittings	5 years straight line
Plant and equipment	3-5 years straight line

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

MOBILE DOCTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

MOBILE DOCTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

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 profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

MOBILE DOCTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 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. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

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.

MOBILE DOCTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Credit note provisions

Revenue from services are recognised in accordance with the policy set out at 1.3 on the expectation that the case will be successfully concluded. Cases on average complete within two years however there are instances where cases are unsuccessful, and fees are not recoverable.

As a consequence, an element of judgement is required to account for potential fluctuations in income. A provision for credit notes is utilised to estimate the potential impact of such changes to case profiles and the respective incomes. The provision is calculated based on historical experience, current trends, industry knowledge and other relevant factors. The judgements used to calculate the provision, are material to the results of the company. A small change in those judgements could have a significant impact on the accounts. Therefore, the results of the company are sensitive to movements in this provision if assumptions and trends change.

The senior management team have adequate controls and KPIs in place to monitor and assess the suitability of the provision to ensure income is fairly stated in the financial statements.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Medical reporting services	4,984,601	6,672,429
	<u> </u>	<u> </u>
	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	4,984,601	6,672,429
	<u> </u>	<u> </u>

MOBILE DOCTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Operating profit/(loss)

	2022	2021
	£	£
Operating profit/(loss) for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	27,250	22,670
Depreciation of owned tangible fixed assets	13,946	7,538
Operating lease charges	84,768	80,061

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2022	2021
Number	Number
49	56

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	1,198,501	1,508,162
Social security costs	119,209	141,316
Pension costs	54,647	50,396
	1,372,357	1,699,874

6 Director's remuneration

	2022	2021
	£	£
Remuneration for qualifying services	101,522	148,528
Company pension contributions to defined contribution schemes	5,107	5,055
	106,629	153,583

7 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	66,687	10,733
Interest on finance leases and hire purchase contracts	-	7,306
	66,687	18,039

MOBILE DOCTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Taxation

	2022 £	2021 £
Current tax		
Group tax relief	(37,873)	(30,453)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	17,942	14,371
Adjustment in respect of prior periods	-	1,169
	<u> </u>	<u> </u>
Total deferred tax	17,942	15,540
	<u> </u>	<u> </u>
Total tax credit	(19,931)	(14,913)
	<u> </u>	<u> </u>

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(61,452)	(154,091)
	<u> </u>	<u> </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(11,676)	(29,277)
Unutilised tax losses carried forward	-	14,549
Permanent capital allowances in excess of depreciation	(7,717)	(6,945)
Other permanent differences	(18,480)	(8,780)
Deferred tax adjustments	17,942	15,540
	<u> </u>	<u> </u>
Taxation credit for the year	(19,931)	(14,913)
	<u> </u>	<u> </u>

MOBILE DOCTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Intangible fixed assets

	Software £	Licences £	Total £
Cost			
At 1 January 2022	323,898	995	324,893
Disposals	(323,898)	-	(323,898)
At 31 December 2022	-	995	995
Amortisation and impairment			
At 1 January 2022	323,898	-	323,898
Disposals	(323,898)	-	(323,898)
At 31 December 2022	-	-	-
Carrying amount			
At 31 December 2022	-	995	995
At 31 December 2021	-	995	995

Licences held are not required to be amortised.

10 Tangible fixed assets

	Fixtures and fittings £	Plant and equipment £	Total £
Cost			
At 1 January 2022	20,299	517,769	538,068
Additions	-	33,634	33,634
Disposals	(4,124)	(497,693)	(501,817)
At 31 December 2022	16,175	53,710	69,885
Depreciation and impairment			
At 1 January 2022	16,131	502,390	518,521
Depreciation charged in the year	1,548	12,398	13,946
Eliminated in respect of disposals	(4,124)	(497,693)	(501,817)
At 31 December 2022	13,555	17,095	30,650
Carrying amount			
At 31 December 2022	2,620	36,615	39,235
At 31 December 2021	4,168	15,379	19,547

MOBILE DOCTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	7,326,167	7,606,921
Amounts owed by group undertakings	143,590	-
Other debtors	621	136,338
Prepayments and accrued income	254,471	242,495
	<u>7,724,849</u>	<u>7,985,754</u>
	2022	2021
	£	£
Amounts falling due after more than one year:		
Deferred tax asset (note 15)	5,905	23,846
	<u>5,905</u>	<u>23,846</u>
Total debtors	<u>7,730,754</u>	<u>8,009,600</u>

12 Creditors: amounts falling due within one year

		2022	2021
	Notes	£	£
Bank loans and overdrafts	13	983,791	1,261,167
Trade creditors		2,814,588	3,167,752
Amounts owed to group undertakings		-	986,172
Taxation and social security		1,978,950	1,988,622
Other creditors		36,625	43,223
Accruals and deferred income		238,475	146,047
		<u>6,052,429</u>	<u>7,592,983</u>

13 Loans and overdrafts

	2022	2021
	£	£
Bank overdrafts	<u>983,791</u>	<u>1,261,167</u>
Payable within one year	<u>983,791</u>	<u>1,261,167</u>

MOBILE DOCTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Loans and overdrafts

(Continued)

The company's finance facilities are provided by Barclays Bank PLC.

The company has access to an invoice discount facility line of £1.5 million. As at 31 December 2022 the outstanding balance due to Barclays Bank PLC in respect of the facility was £983,791 (2021: £1,261,167).

The facilities are secured by a fixed & floating charge over current & future assets of the company.

14 Provisions for liabilities

	2022 £	2021 £
Dilapidations on rented property	13,500	116,500
Movements on provisions:		
		Dilapidations on rented property
		£
At 1 January 2022		116,500
Utilisation of provision		(103,000)
At 31 December 2022		13,500

The provision for dilapidations are in respect of rented properties by the company and will be utilised on exiting the premises at the end of the lease.

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2022 £	Assets 2021 £
Balances:		
Accelerated capital allowances	2,530	7,722
Retirement benefit obligations	-	1,874
Provisions	3,375	14,250
	5,905	23,846

MOBILE DOCTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15	Deferred taxation	(Continued)
		2022
	Movements in the year:	£
	Liability at 1 January 2022	23,846
	Credit to profit or loss	(17,941)
	Liability at 31 December 2022	<u>5,905</u>

The deferred tax asset above in respect of provisions is not expected to reverse within the next 12 months.

16	Retirement benefit schemes	2022	2021
		£	£
	Defined contribution schemes		
	Charge to profit or loss in respect of defined contribution schemes	54,647	50,396

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17	Share capital	2022	2021	2022	2021
		Number	Number	£	£
	Ordinary share capital				
	Issued and fully paid				
	Ordinary shares of £1 each	1,000,000	7,332	1,000,000	7,332

On 26 January 2022, 992,668 Ordinary £1 shares were allotted and issued, and fully paid at par.

18	Capital redemption reserve	2022	2021
		£	£
	At the beginning and end of the year	2,668	2,668

MOBILE DOCTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Operating lease commitments

Lessee

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

	2022 £	2021 £
Within one year	44,124	53,306
Between two and five years	61,411	105,535
	<u>105,535</u>	<u>158,841</u>

20 Cross guarantee

A cross guarantee was given by the company in favour of Barclays Bank PLC. The cross guarantee is in support of the finance facilities provided by Barclays Bank PLC to the Kuro Health group of entities. The cross guarantee includes the following group companies: Kuro Health Limited, Premier Medical Group Limited, Rehab-Link Limited, South East Specialist Medicals Reports Limited and Mobile Doctors Limited. The balance owed to Barclays Bank PLC at 31 December 2022 was £16,387,870 (2021: £15,073,106).

21 Related party transactions

The company made consultancy payments totalling £2,750 (2021: £1,250) to the son of a director.

No details are included for transactions with fellow group subsidiaries that are 100% owned as the exemption for such companies is being claimed.

22 Ultimate controlling party

The ultimate parent company is Kuro Health Limited, a company incorporated in England and Wales. The financial statements for this company can be found at their registered office at 4th floor, Park Gate, 161-163 Preston Road, Brighton, BN1 6AF.

23 Prior period adjustment

Reconciliations and descriptions of the effect of the prior period adjustments to the 2021 profit and loss are set out below. There are no changes to the opening balances of assets and liabilities.

Cost of sales and Administrative costs have been restated, both by £1,140,177, causing no change in the loss for the year ended 31 December 2021.

Reconciliation of changes in equity

The prior period adjustments do not give rise to any effect upon equity.

MOBILE DOCTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

23	Prior period adjustment	(Continued)
	Reconciliation of changes in loss for the previous financial period	
		2021
		£
	Total adjustments	-
	Loss as previously reported	(139,178)
		<hr/>
	Loss as adjusted before transition adjustments	(139,178)
		<hr/> <hr/>

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