

Company Registration No. 02144993 (England and Wales)

1ST CALL MOBILITY LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2020



1ST CALL MOBILITY LIMITED

CONTENTS

	Page
Company Information	1
Strategic Report	2
Directors' report	4
Independent auditors' report	6
Statement of income and retained earnings	8
Balance sheet	9
Notes to the financial statements	10

1ST CALL MOBILITY LIMITED

COMPANY INFORMATION

Directors	Mr K. Ibrahim Mr P. Lyon Mr S. Gill Mrs B. Fitt
Secretary	Mr S. Gill
Company number	02144993
Registered office	ArjoHuntleigh House Houghton Hall Business Park Houghton Regis Dunstable Bedfordshire UK LU5 5XF
Independent Auditors	PricewaterhouseCoopers LLP 1 Spinningfields 1 Hardman Square Manchester United Kingdom M3 3EB
Business address	ArjoHuntleigh House Houghton Hall Business Park Houghton Regis Dunstable Bedfordshire UK LU5 5XF

1ST CALL MOBILITY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Performance Review and Future Developments

The principal activity of the company continued to be that of the sale and rental of bariatric equipment to the NHS and Social Services.

The company continues to successfully provide the sale and hire of bariatric equipment to its customers which are based in the UK. With depots strategically situated across the UK, 1st Call Mobility Limited is able to service its customers in a timely fashion with some of the most innovative equipment on the global market.

The directors consider the performance of the Company during the year to have been acceptable and expect this to continue in to the future.

The company will continue to work hard in order to maintain its margins and improve productivity in what is a very competitive market. This will be essential for improving our momentum going into the next year. The company's overall objective is to be a sustainable business which is profitable for the next ten years and beyond.

Key performance indicators

The company consider the following to be key performance indicators of the business:-

	2020 £	2019 £	Movement %
Turnover	8,702,311	9,244,291	-5.9
Profit before taxation	<u>4,795,702</u>	<u>4,427,559</u>	8.3

Principal risks and uncertainties

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund obligations as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk.

Interest-rate risks

The company participates in a UK cash pooling arrangement to keep interest charges to a minimum. Long term borrowing facilities are provided by another group company on fixed interest rates. Many of the other loans from the group are interest free.

Liquidity and cash flow risks

To maintain liquidity and ensure that sufficient funds are available for ongoing operations and future growth developments the company maintains a strong working capital position and has access to long and short term debt finance.

Currency risks

Payments as a result of sales income and expenses for goods sold in foreign currencies cause currency exposure that affects the company profits in the event of exchange rate fluctuations. Major currencies such as Euro and US Dollar are hedged by Arjo AB (the ultimate parent) to mitigate this risk. Group foreign exchange rates are set at the start of the period based on the hedged rates available and the company is able to buy and sell money at these rates internally and all intragroup trade is conducted using these rates to minimise any foreign exchange exposure.

1ST CALL MOBILITY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Credit risks

The company's principal financial assets are cash and cash equivalents, trade and other debtors. Commercial credit risks are minimised by a diverse, credit worthy customer base. Commercial credit risks are limited by a diverse, creditworthy customer base. The largest customer is the NHS which is inherently low risk. The company has no concentration of credit risk on sale or hire of goods to third parties. It controls this risk by ensuring it is not dependent on one customer.

Price risks

Prices to customers and from intragroup suppliers are agreed in line with the group policy and direction to ensure prices are fair and result in a commercial return for the services provided. There is minimal risk throughout the period as a result. Other purchases from external suppliers are subject to change but alternative suppliers are available in most cases to ensure that the risk of price increases is kept to a minimum. The company is subject to price risk on sale or hire of goods to third parties. It controls this risk by ensuring it is not dependent on one customer.

On behalf of the board



Mr S. Gill
Director

27 September 2021
Date

1ST CALL MOBILITY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and audited financial statements for the year ended 31 December 2020.

The company is a private limited company limited by shares and incorporated and registered in England and Wales.

Directors

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

Mr K. Ibrahim
Mr P. Lyon
Mr S. Gill
Mrs B. Fitt

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £Nil (2019: £Nil). The directors do not recommend payment of a final dividend.

Directors' insurance

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Employee policy

The company's policy is to provide equality of employment opportunity, through training, career development and promotion. It supports the employment of disabled people wherever possible, by recruitment and by retraining all those who become disabled during their employment.

Effective communication with all employees is ensured through a variety of different practices such as works and health and safety committees, continual in-house refresher and training courses and periodic briefings by senior managers. These practices ensure that the views of employees are taken into account in making decisions that are likely to affect their interests and that employees are aware of financial and economic factors that affect the performance of the branch.

Health and safety and the environment

The company continuously refines its detailed policies and procedures in respect of health and safety and environmental matters. The impact of the business on the environment is taken seriously and the company has in place safeguards to protect the environment from pollution. The company seeks to minimise any disturbance to the local and global environment and the quality of life of local communities. Further details can be found within the Sustainability report on pages 34 to 37 of the Arjo AB Group's 2020 annual report.

Financial risk management

A note on financial risk management has been included in the Strategic Report.

1ST CALL MOBILITY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

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 enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, were appointed during the year and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



Mr S. Gill
Director

27 September 2021

Date

Independent auditors' report to the members of 1ST Call Mobility Limited

Report on the audit of the financial statements

Opinion

In our opinion, 1ST Call Mobility Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2020; the Profit and loss account, the Statement of comprehensive income, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the

1ST CALL MOBILITY LIMITED

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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and regulations which govern the preparation of financial statements, 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 financial statements such as the Companies Act 2006. We evaluated 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 inappropriate journal entries to increase revenue, through management bias in manipulation of accounting estimates or accounting for significant transactions outside the normal course of business. Audit procedures performed by the engagement team included:

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

1ST CALL MOBILITY LIMITED

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

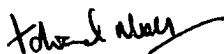
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Edward Moss (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Manchester

27/09/2021

1ST CALL MOBILITY LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Note	£	£
Turnover	3	8,702,311	9,244,291
Cost of sales		(3,263,514)	(3,494,982)
Gross profit		5,438,797	5,749,309
Distribution costs		(250,370)	(315,115)
Administrative expenses		(406,535)	(1,073,993)
Operating profit	4	4,781,892	4,360,201
Interest receivable and similar income	7	13,810	67,358
Interest payable and similar expenses	8	-	-
Profit before taxation		4,795,702	4,427,559
Tax on profit	9	(886,336)	(851,116)
Profit for the financial year		3,909,366	3,576,443
Retained earnings brought forward		18,039,149	14,462,706
Dividends	10	-	-
Retained earnings carried forward		21,948,515	18,039,149

All amounts derive from continuing operations.

There are no material differences between the profit before taxation and the profit for the financial year stated above and their historical cost equivalents.

Notes on pages 11 to 22 form part of these financial statements.

1ST CALL MOBILITY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019	
	Note	£	£	£	£
Fixed assets					
Tangible assets	11		2,047,301		1,710,707
Current assets					
Stocks	12	174,107		287,318	
Debtors	13	3,828,987		3,828,826	
Cash at bank and in hand		17,926,237		13,935,738	
		<u>21,929,331</u>		<u>18,051,882</u>	
Creditors: amounts falling due within one year	14	<u>(1,736,991)</u>		<u>(1,421,624)</u>	
Net current assets			<u>20,192,340</u>		<u>16,630,258</u>
Total assets less current liabilities			<u>22,239,641</u>		<u>18,340,965</u>
Provisions for liabilities	15		<u>(290,926)</u>		<u>(301,616)</u>
Net assets			<u>21,948,715</u>		<u>18,039,349</u>
Capital and reserves					
Called up share capital	18		200		200
Profit and loss reserves			21,948,515		18,039,149
Total equity			<u>21,948,715</u>		<u>18,039,349</u>

These statutory financial statements on pages 8 to 22 were approved by the Directors on behalf of board of directors of 1ST Call Mobility Limited and authorised for issue on 27 September 2021.



Mr S. Gill
Director

Company Registration No. 02144993

1ST CALL MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

These statutory financial statements have been prepared on the basis set out below. The authorised representatives believe that the basis of preparation applied is appropriate for the intended use of the financial statements.

The principal accounting policies are set out below and have been applied consistently.

1.1 Accounting convention

The financial statements of 1ST Call Mobility Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS102") and 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 £.

These financial statements have been prepared on a going concern basis under the historical cost convention in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", (FRS102) and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

The company has applied the following exemptions as per FRS 102 para 1.12.

- (i) A reconciliation of the number of shares outstanding at the beginning and end of the period.
- (ii) The requirement to prepare a statement of cash flows.
- (iii) Certain financial instrument disclosures, providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

The non – disclosure of key management personnel compensation in total.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 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:

1ST CALL MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Plant and machinery	20% Straightline
Fixtures, fittings and equipment	25% to 33% Straight line
Motor vehicles	20% Straight line
Rental assets	20% Straightline

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 recognised in the profit and loss account.

1.5 Impairment of fixed 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). 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.

1.6 Stocks

Stocks 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 labor costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks 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 profit or loss.

1.7 Cash and cash equivalents

Cash at bank and in hand 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 recognized amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1ST CALL MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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.

1ST CALL MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Other financial liabilities

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.

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.

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 direct issue 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.

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.

1ST CALL MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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 income 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 lease 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 profit and loss account for the period.

2 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical accounting estimates and assumptions

i) *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment, and note 1 above for the useful economic lives of each class of assets.

1ST CALL MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover

An analysis of the company's turnover is as follows:

	2020 £	2019 £
Turnover analysed by class of business		
Bariatric Sales	942,497	1,325,080
Bariatric Hire	7,759,814	7,919,211
	<u>8,702,311</u>	<u>9,244,291</u>

	2020 £	2019 £
Other significant revenue		
Interest income	13,809	67,358

	2020 £	2019 £
Turnover analysed by geographical market		
Sales – UK	<u>8,702,311</u>	<u>9,244,291</u>

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/ (crediting):		
Exchange losses/ (gains)	4,235	952
Fees payable to the company's auditors for the audit of the company's financial statements	18,000	16,667
Depreciation of owned tangible fixed assets	515,122	383,032
Loss on disposal of tangible fixed assets	2,151	1,844
Cost of stocks recognised as an expense	1,033,327	1,305,346
Operating lease charges	<u>211,152</u>	<u>330,711</u>

1ST CALL MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Employees

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

	2020	2019
	Number	Number
Directors	-	-
Depot and sales	2	28
Administrative	2	4
Other	7	7
	<u>11</u>	<u>39</u>
	2020	2019
	£	£
Wages and salaries	1,220,642	1,235,381
Social security costs	27,071	126,763
Other Pension costs	10,790	42,707
	<u>1,258,503</u>	<u>1,404,851</u>

6 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	-	-
Company pension contributions to defined contribution schemes	-	-
	<u>-</u>	<u>-</u>

7 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Other interest income	<u>13,810</u>	<u>67,358</u>

1ST CALL MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Interest payable and similar expenses

	2020	2019
	£	£
Other interest	-	-
	<u>-</u>	<u>-</u>

9 Tax on Profit

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current year	<u>915,303</u>	<u>870,844</u>
Deferred tax		
Origination and reversal of timing differences	<u>(28,967)</u>	<u>(19,728)</u>
Total tax charge	<u>886,336</u>	<u>851,116</u>

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

	2020	2019
	£	£
Profit before taxation	<u>4,795,702</u>	<u>4,427,559</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19%)	911,183	841,236
Tax effect of expenses that are not deductible in determining taxable profit	9,655	17,944
Effect of change in corporation tax rate	-	-
Other timing differences	(34,502)	(8,064)
Other permanent differences	-	-
Taxation charge for the year	<u>886,336</u>	<u>851,116</u>

Factors affecting the future tax charges

The UK corporation tax rate remains at 19% until 1 April 2021. Future changes to UK corporation tax are further reductions in tax rates to 17% in 2021.

1ST CALL MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Dividends

	2020 £	2019 £
Interim paid	-	-

11 Tangible assets

	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Rental assets £	Total £
Cost					
At 1 January 2020	71,769	203,980	91,985	2,366,224	2,733,958
Additions	-	-	-	903,965	903,965
Disposals	-	(30,015)	(91,985)	(51,157)	(173,157)
At 31 December 2020	71,769	173,965	-	3,219,032	3,464,766
Accumulated depreciation and impairment					
At 1 January 2020	55,396	181,776	86,524	699,555	1,023,251
Depreciation charged in the year	5,057	10,798	2,860	496,407	515,122
Eliminated in respect of disposals	-	(27,035)	(89,384)	(4,489)	(120,908)
At 31 December 2020	60,453	165,539	-	1,191,473	1,417,465
Carrying amount					
At 31 December 2020	11,316	8,426	-	2,027,559	2,047,301
At 31 December 2019	16,373	22,204	5,461	1,666,669	1,710,707

12 Stocks

	2020 £	2019 £
Finished goods and goods for resale	174,107	287,318

There is no material difference between the balance sheet value of stocks and their replacement cost.

13 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	2,942,670	3,160,740
Amounts owed by group undertakings	-	-
Prepayments and accrued income	791,210	601,946
	3,733,880	3,762,686
Deferred tax asset (note 16)	95,107	66,140
	3,828,987	3,828,826

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

1ST CALL MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	188,056	130,341
Amounts owed to group undertakings	407,692	51,813
Corporation tax	120,510	241,707
Other taxation and social security	416,891	342,519
Other creditors	26,001	29,782
Accruals and deferred income	577,841	625,462
	<u>1,736,991</u>	<u>1,421,624</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15 Provisions for liabilities

	Note	2020	2019
		£	£
Warranties		18,467	18,467
Dilapidations on leasehold properties		<u>272,459</u>	<u>283,149</u>
		290,926	301,616
Deferred tax liabilities	16	-	-
		<u>290,926</u>	<u>301,616</u>

Movements on provisions apart from retirement benefits and deferred tax liabilities:

	Warranties	Dilapidations on leasehold properties	Total
	£	£	£
Additional provisions in the year	<u>18,467</u>	<u>272,459</u>	<u>290,926</u>

1ST CALL MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Balances:				
Accelerated capital allowances	-	-	-	-
Provisions	-	-	95,107	66,140
	<u>-</u>	<u>-</u>	<u>95,107</u>	<u>66,140</u>
Movements in the year:			2020 £	2019 £
Assets at 1 January			(66,140)	(46,412)
Credit to profit or loss			(28,967)	(19,728)
at 31 December			<u>(95,107)</u>	<u>(66,140)</u>

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so.

17 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	10,790	42,707
	<u>10,790</u>	<u>42,707</u>

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.

18 Called up Share capital

	2020 £	2019 £
Ordinary share capital Issued and fully paid		
200 (2019: 200) Ordinary Shares of £1 each	200	200
	<u>200</u>	<u>200</u>

1ST CALL MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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:

	2020 £	2019 £
Within one year	115,921	179,481
Between two and five years	94,938	199,370
In over five years	293	11,781
	<u>211,152</u>	<u>390,632</u>

20 Related party transactions

During the dividends totaling £Nil (2019 - £Nil) were paid to parent company.

21 Directors' transactions

Dividends totaling £Nil (2019: £Nil) were paid in the year in respect of shares held by former officers of the company.

22 Controlling party

The directors regard Arjo AB, a company registered in Sweden, as the company's ultimate parent company by virtue of its shareholding in Huntleigh Technology Limited, the company's immediate parent.

The smallest and largest group in which the results of the company are consolidated for the year ended 31 December 2020 is that headed by Arjo AB. Copies of these financial statements may be obtained from Arjo AB, 10 Hans Michelsensgatan, 211 20 Malmö, Sweden.

No individual has more than a 50% shareholding in Arjo AB.