

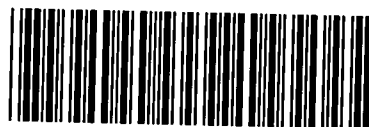
# Mobile Doctors Solutions Limited

Report and Unaudited Financial Statements

Year ended 30 June 2016

Company Number 04215291

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# Mobile Doctors Solutions Limited

Report and financial statements  
for the year ended 30 June 2016

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## Country of incorporation of parent company

United Kingdom

## Director

K J Fowlie

## Secretary and registered office

Ms K Morrison, 50-52 Chancery Lane, London, WC2A 1HL

## Company number

04215291

# Mobile Doctors Solutions Limited

## Director's report for the year ended 30 June 2016

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The director presents his report together with the unaudited financial statements for the year ended 30 June 2016. The comparative results are for the eighteen month period ended 30 June 2015. The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

### Principal activities

The Company is a holding company incorporated and domiciled in England and Wales.

### Dividends

The director does not recommend the payment of a dividend in respect of the current period (2015 - Nil).

### Going concern

The financial statements have been prepared on a going concern basis.

The Company is a member of the Slater & Gordon Consolidated Group (the "Global Group") whose ultimate parent entity is Slater and Gordon Limited, a company incorporated in Australia.

At 30 June 2016 the Company had net assets of £1k. The Company is reliant upon its parent entity in relation to ongoing financial support. The Company has received confirmation from its parent entity that it will support the Company to meet its liabilities as and when they fall due, but only to the extent that funds are not otherwise available to the Company to meet such liabilities. The parent has also confirmed that it will continue to provide the financial support outlined above for a period of at least 12 months from the date of signing of this financial report.

During the 6 months ended 31 December 2016, the Global Group incurred a net loss after tax of A\$425.1m (including A\$350.3m of intangible asset impairment) and generated negative net cash flow from operating activities of A\$11.4m. At 31 December 2016, the Global Group's total liabilities exceed its total assets by A\$126.0m. With effect from 27 December 2016, the Global Group agreed various amendments to the Slater and Gordon Syndicated Facility Agreement ("SFA") with its banking syndicate ("lenders"). Facilities provided under the SFA are fully drawn with borrowings of A\$737.6m recognised as at 31 December 2016. Based on exchange rates as at 31 December 2016, A\$20.0m is repayable in August 2017, A\$10.0m is repayable in February 2018, A\$421.4m is repayable in May 2018 and A\$286.2m is repayable in March 2019. The Company is party to the SFA and has given a cross-guarantee, along with other members of the Global Group, and is also party to a debenture supporting the cross-guarantee and granting security over all of its assets, in relation to all liabilities outstanding under the SFA in favour of the lenders.

The Global Group's current operating environment continues to present challenges and uncertainty. On 15 February 2017 the Global Group presented updated trading and cash flow forecasts and a number of recapitalisation options to its lenders. On 17 March 2017 the ultimate parent entity announced that it had been notified that in excess of 94% of the SFA debt had been traded from the original syndicate of lenders to secondary debt buyers (the "New Senior Lenders"). The Global Group has been informed by the New Senior Lenders that they fully intend to implement a solvent restructure of the ultimate parent entity, and to work cooperatively with the ultimate parent entity to enter into binding agreements to reset its debt structure (through a debt for equity Lender Scheme of Arrangement) to ensure that the Global Group has a sustainable level of debt and a stable platform for its operations. Under the SFA, a majority of lenders by value must agree to a satisfactory recapitalisation plan by 26 May 2017. Should this not occur, the borrowings under the SFA may become due and payable within a further 14 days of this date.

The Global Group will not have sufficient free cash flow to pay interest and repay the facilities in May 2018, or earlier, and there is some risk that it may not meet minimum cash balances specified in the SFA. Accordingly, the Global Group requires the ongoing support of its lenders to continue as a going concern.

# Mobile Doctors Solutions Limited

## Director's report for the year ended 30 June 2016

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Class Action proceedings were commenced against Slater and Gordon on 12 October 2016 in the Federal Court of Australia. Without admission, there are no unencumbered assets available to meet any judgement that the class complainants may obtain against the Global Group other than the potential benefit (if any) from applicable insurance policies.

The above matters present a material uncertainty in relation to the Global Group's and the Company's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

After taking into account all available information, the Directors of the ultimate parent entity concluded, for the purposes of the Financial Report for the half-year ended 31 December 2016 signed on 27 February 2017, that there are currently reasonable grounds to believe:

- the existing borrowing facilities will be restructured such that the Global Group will continue to be able to pay its debts as and when they become due and payable; and
- preparation of financial statements on a going concern basis is currently appropriate.

The Directors of the ultimate parent entity formed this view based on a number of factors including:

- the support that lenders have afforded the Global Group, in the form of amendments to the SFA, since it was first established in May 2015;
- the absence of advice from lenders of a withdrawal of their support;
- the nature and scope of recent and ongoing confidential discussions with the lenders and their advisors; and
- that a recapitalisation plan produces a better return to lenders, and other stakeholders, than the alternatives.

The Directors, having given consideration to the current financial forecasts for the Global Group, the Group and the Company, and having given consideration to the conclusions of the Directors of the ultimate parent entity set out above, and of the factors that the Directors of the ultimate parent entity considered when forming this view, and of the stated intent of the New Senior Lenders to implement a solvent restructure of the ultimate parent entity through a debt for equity Lender Scheme of Arrangement to ensure that the Global Group has a sustainable level of debt and a stable platform for its operations, consider the going concern basis of preparation for these financial statements is appropriate.

### Directors

The directors of the company during the period were:

K J Fowlie  
R Fielding (Resigned 17 September 2015)

### Director's responsibility statement

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the director has chosen to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law.

Under company law the directors must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of its profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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. This is described in more detail in Note 1

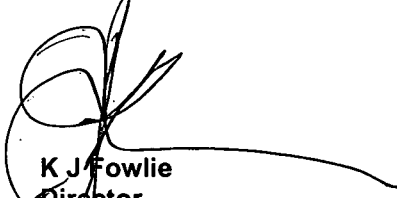
# Mobile Doctors Solutions Limited

## Director's report for the year ended 30 June 2016

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The director is responsible for keeping proper 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



K. J. Fowlie  
Director  
Date: 24 March 2017

# Mobile Doctors Solutions Limited

## Statement of comprehensive income for the year ended 30 June 2016

		Year ended 30 June 2016 £'000	18 months ended 30 June 2015 £'000
	Note		
Revenue		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
Profit before taxation		-	-
Taxation	4	-	-
		<hr/>	<hr/>
Retained profit for the period/year attributable to the owners of the parent company		-	-
		<hr/>	<hr/>

All results relate to continuing operations.

The notes on pages 5 to 9 form part of these financial statements.

# Mobile Doctors Solutions Limited

## Statement of financial position at 30 June 2016

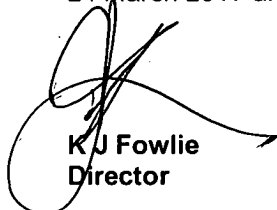
<i>Company number 04215291</i>	<b>Note</b>	<b>30 June 2016 £'000</b>	<b>30 June 2015 £'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	5	8,761	8,761
<b>Current assets</b>			
Trade and other receivables	6	4	49
<b>Total assets</b>		<b>8,765</b>	<b>8,771</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	7	(8,080)	(8,080)
<b>Total liabilities</b>		<b>(8,080)</b>	<b>(8,080)</b>
<b>NET ASSETS</b>		<b>685</b>	<b>685</b>
<b>EQUITY</b>			
Share capital	8	1	1
Share premium account		1,744	1,744
Retained earnings		(1,060)	(1,060)
<b>Total equity attributable to the owners of the parent company</b>		<b>685</b>	<b>685</b>

For the period ended 30 June 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies, and the directors are satisfied that no member or members have requested an audit pursuant to section 476 of that Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements on pages 4 to 11 were approved and authorised for issue by the Board of Directors on 24 March 2017 and were signed on its behalf by:

  
**K J Fowlie**  
**Director**

The notes on pages 7 to 11 form part of these financial statements.

# Mobile Doctors Solutions Limited

## Statement of changes in equity for the year ended 30 June 2016

	Share capital £'000	Share premium account £'000	Retained earnings £'000
Balance at 30 June 2015	1	1,744	(1,060)
Profit for the period	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2016	1	1,744	(1,060)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2013	1	1,744	(1,060)
Profit for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2015	1	1,744	(1,060)
	<hr/>	<hr/>	<hr/>

The notes on pages 7 to 11 form part of these financial statements.

# Mobile Doctors Solutions Limited

## Notes forming part of the financial statements for the year ended 30 June 2016

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### 1 Accounting policies

Mobile Doctors Solutions Limited (the "Company") is a company incorporated and domiciled in the UK.

#### ***Basis of preparation***

The financial statements are prepared on the historical cost basis. The financial statements have been prepared for the year ended 30 June 2016. The comparative period is for the eighteen month period ended 30 June 2015.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations adopted by the European Union (EU) and their interpretations adopted by the International Accounting Standards Board (IASB). They have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The company has not adopted any standards or interpretations in advance of the required implementation dates. It is not expected that those standards or interpretations which have been issued by the International Accounting Standards Board, but which have not been adopted, will have a material impact on the financial statements of the company in the period of initial application.

A summary of the significant accounting policies is set out below.

#### ***Consolidation***

The financial statements contain information about Mobile Doctors Solutions Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption offered by section 400 of the Companies Act 2006 as the company is included in the consolidated financial statements of Slater and Gordon Limited. At 30 June 2016, the company was a wholly owned subsidiary of Slater and Gordon Limited, a company incorporated in Australia.

#### ***Investments***

Investments in subsidiaries are carried at cost.

#### ***Trade receivables***

Trade receivables are held at amortised cost less any impairment provisions and this equates to their recoverable value.

#### ***Trade and other payables***

Trade and other payables are non-interest bearing and are stated at their nominal value.

# Mobile Doctors Solutions Limited

## Notes forming part of the financial statements for the year ended 30 June 2016 (*continued*)

### 1 Accounting policies (*continued*)

#### ***Taxation including deferred tax***

The tax expense represents the sum of current tax and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised in equity in which case it is recognised in equity. The current tax is based on taxable profit for the year calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is provided using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. In principle deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets or 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 Statement of Financial Position 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. Tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

#### **Going Concern**

The financial statements have been prepared on a going concern basis.

The Company is a member of the Slater & Gordon Consolidated Group (the "Global Group") whose ultimate parent entity is Slater and Gordon Limited, a company incorporated in Australia.

At 30 June 2016 the Company had net assets of £0.7m. The Company is reliant upon its parent entity in relation to ongoing financial support. The Company has received confirmation from its parent entity that it will support the Company to meet its liabilities as and when they fall due, but only to the extent that funds are not otherwise available to the Company to meet such liabilities. The parent has also confirmed that it will continue to provide the financial support outlined above for a period of at least 12 months from the date of signing of this financial report.

At 30 June 2016, the Global Group had net assets of A\$305.1m and net current assets of A\$477.9m. The Global Group had drawings of A\$765.6m under its Syndicated Facility Agreement ("SFA"), against limits of A\$765.6m at 30 June 2016. The Global Group had cash on hand of A\$82.5m and other borrowings of A\$8.5m, offset by deferred debt raising costs of A\$9.6m resulting in net debt of A\$682.3m and available liquidity of A\$88.3m. As at 30 June 2016 the Global Group remained in compliance with all its undertakings under the SFA.

The Directors of the ultimate parent entity are of the view that the Global Group will continue to comply with the obligations under the SFA. The Global Group has further initiated a comprehensive review including an assessment of revised financial forecasts, and the implementation of performance improvement programmes with the aim of improving the profitability of the business and reducing the level of drawn debt.

The Directors, having given consideration to the current financial forecasts for the Global Group and the Company, the engagement with the banking syndicate and its financial advisers, the comprehensive review, and the performance improvement programmes being implemented by management, consider the going concern basis of preparation is appropriate.

# Mobile Doctors Solutions Limited

Notes forming part of the financial statements  
for the year ended 30 June 2016 (*continued*)

## 2 Critical accounting judgements and key sources of estimated uncertainty

Management do not consider that there are any significant accounting judgements or sources of estimation uncertainty.

## 3 Employees and directors

The Company had no employees in the current period or prior year. The costs of the directors were borne by other group companies.

## 4 Taxation

	Year ended 30 June 2016 £'000	18 months ended 30 June 2015 £'000
<b>Current tax expense</b>		
Current period	-	-
	<hr/>	<hr/>
<b>Total tax credit for the period/year</b>	-	-
	<hr/>	<hr/>

Income tax for the UK is calculated at the standard rate of UK corporation tax of 23.25% (2015 - 23.25%) on the estimated assessable profit for the period. The total charge for the year can be reconciled to the accounting profit as follows:

	Year ended 30 June 2016 £'000	18 months ended 30 June 2015 £'000
Profit on ordinary activities before tax	-	-
	<hr/>	<hr/>
Tax at the UK corporation tax rate of 21.2% (2015 - 21.2%)	-	-
Effect of:		
Losses carried forward for which no deferred tax asset recognised	-	-
	<hr/>	<hr/>
<b>Total tax charge for the period/year</b>	-	-
	<hr/>	<hr/>

# Mobile Doctors Solutions Limited

Notes forming part of the financial statements  
for the year ended 30 June 2016 (*continued*)

## 4 Taxation (*continued*)

### Factors affecting future tax charges

In the Budget on 8 July 2015, the Chancellor announced reductions in the corporation tax rate from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020. These rates were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

## 5 Investments

	2016 £'000	2015 £'000
Investment as at 30 June 2015 and 30 June 2016	8,761	8,761

The company has the following investments in subsidiaries:

	Country of incorporation	Percentage holding
Mobile Doctors Limited	UK	100%
MDL Medical Administration Limited *	UK	100%

\* indirect holding via Mobile Doctors Limited

The directors are satisfied that the recoverable amount of these investments is in excess of their carrying value.

## 6 Trade and other receivables

	30 June 2016 £'000	30 June 2015 £'000
<b>Current assets</b>		
Amounts due from related companies	4	4

## 7 Trade and other payables

	30 June 2016 £'000	30 June 2015 £'000
<b>Current liabilities</b>		
Amounts due to related companies	8,080	8,080

## 8 Share capital

	30 June 2016 Number '000s	Issued and fully paid		30 June 2015 Number '000s	30 June 2015 £'000
		30 June 2016 £'000	30 June 2015 £'000		
111,111 Ordinary shares of 1p each	111	1	111	1	

# Mobile Doctors Solutions Limited

## Notes forming part of the financial statements for the year ended 30 June 2016 (*continued*)

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### 9 Ultimate parent company

The immediate parent company is Mobile Doctors Group Limited. The ultimate parent company of the Company is Slater and Gordon Limited, a company incorporated in Australia. Copies of the consolidated accounts of Slater and Gordon Limited can be obtained from 485 La Trobe Street, Melbourne, Victoria, Australia, 3000.

### 10 Financial instruments

The Company has exposure to the following risks from its use of financial instruments:

- Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

#### Fair values

The fair values of all financial assets and liabilities are represented by their carrying amounts.

### 13 Contingent liabilities

The Company is party to a multi-currency (AUD/GBP) syndicated facility agreement ("SFA") dated 29 May 2015 (and as subsequently amended) pursuant to which its ultimate parent company, Slater and Gordon Limited, is a borrower. Pursuant to the terms of the SFA, the Company has given a cross-guarantee (along with other Group Companies) in relation to all liabilities outstanding under the SFA in favour of the Finance Parties (as defined under the SFA). The Company is also party to a debenture dated 29 May 2015 (the "Debenture") pursuant to which the Company (together with other Group Companies) covenants with Westpac Banking Association (acting as Security Trustee for itself and the Secured Parties (as defined in the Debenture)) that it will on demand pay all liabilities outstanding under the SFA (and associated finance documents) when they are due and payable and grants security over all of its assets in favour of Westpac Banking Association (acting as Security Trustee for itself and the Secured Parties).

### 14 Ultimate parent company

The ultimate parent company of the Company is Slater and Gordon Limited, a company incorporated in Australia. Copies of the consolidated accounts of Slater and Gordon Limited can be obtained from 485 La Trobe Street, Melbourne, Victoria, Australia, 3000.