

Inuvi Health Limited

Annual Report and Financial Statements

For the year ended 31 December 2023

Company Registration No. 08811416 (England and Wales)

Inuvi Health Limited

Company Information

Directors	J Benton R Allison E Schmidt-Chiari E G Nicholson D Oatley
Secretary	D Oatley
Company number	08811416
Registered office	Unit 10 Millars Brook Business Park Molly Millars Lane Wokingham United Kingdom RG41 2AD
Auditor	Moore Kingston Smith LLP Orbital House 20 Eastern Road Romford Essex RM1 3PJ

Inuvi Health Limited

Strategic Report

For the year ended 31 December 2023

The directors present the strategic report for the year ended 31 December 2023.

The principal activities of the company are the provision of medical reporting and health assessments through a nationwide network of medical examiners and healthcare professionals.

Business Review

The business has delivered strong revenue growth of 16% in the year, with a combination of volume growth from existing customers, new business and the acquisition of Livesmart, our remote digital health assessment service. Our cost base increased whilst positioning the business to support further growth and restructuring the Livesmart business. The business also felt the impact of inflationary pressure, particularly in supporting our staff during the cost-of-living crisis. Profit before tax and after acquisition cost for the financial year was £448k (2023 £922k).

Subsequent Events and Future Developments

On 12th December 2023, the company purchased Medicals Direct Screenings Limited together with its subsidiary Medicals Direct Screenings Services Limited. This acquisition is highly complementary to the existing business. It will broaden Inuvi Health's service proposal to include independent medical opinion and rehabilitation, in addition to increasing the business's network of health practitioners hence increasing capacity to provide nationwide health assessments and phlebotomy.

Financial Performance

	2023 £'000	2022 £'000	Change £'000	%
Turnover	13,034	11,246	1,788	16%
Gross Profit	5,106	4,198	908	22%
Operating profit	448	922	(474)	(51%)
EBITDA (and before exceptional items)	980	1,092	(112)	(10%)

Financial Instruments

The company's principal financial instruments comprise of non-interest-bearing inter-company trading and loan balances, together with cash and liquid resources, trade debtors and trade creditors arising directly from its operations. The main purpose of these financial instruments is to assist in financing the businesses operations. All of these are actively managed and controlled so that there is minimal risk associated with these financial instruments

Inuvi Health Limited

Strategic Report (Continued)

For the year ended 31 December 2023

Principal risks and uncertainties

The company has a control environment and risk management process to identify, evaluate, manage and mitigate significant risks. The risk register is regularly reviewed by the senior management team and there is executive ownership of each risk and mitigation plan.

Regulatory and Compliance Risk

The company is regulated by the CQC and is accredited under ISO9001 and ISO27001. Maintaining compliance is an essential element of our service excellence. The risk of non-compliance is mitigated by continuous quality audits by qualified managers and immediate implementation of remediation actions if necessary.

Information Security Risk

The company holds significant amounts of sensitive data in relation to its customers. To mitigate this risk there is a high level of data security focus within the business, including robust IT and physical location security, mandatory staff training, systems audits and rigorous vetting of new suppliers

Technology Risk

The company is very dependent on its IT systems to maintain services to customers and internally. This risk is managed by ensuring that appropriately experienced IT personnel and other resources are in place, together with development resources to continually enhance the company's IT capabilities

Loss of Key Customer Risk

The loss of key customers due to economic reasons or changes in the market conditions is a risk. The company has a culture of high-quality service, regular client review meetings and client feedback initiatives. The customer base has diversified over recent years to avoid dependence on specific customers and market segments

Financial key performance indicators

The Board and senior management team monitor the performance of the company by reference to the following KPIs:

	2023 £'000	2022 £'000
Sales Growth	15.9%	0.2%
Gross Profit %	39%	37%
EBITDA % of Sales	8%	10%

On behalf of the board

J Benton
Director

27 June 2024

Inuvi Health Limited

Directors' Report

For the year ended 31 December 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

Principal activities

The principal activity of the company continued to be that of providing medical screening services to the protection insurance sector.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

J Benton
R Allison
E Schmidt-Chiari
E G Nicholson
D Oatley

Auditor

Moore Kingston Smith LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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. 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.

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Directors' Report (Continued)

For the year ended 31 December 2023

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

J Benton
Director

27 June 2024

Inuvi Health Limited

Independent Auditor's Report

To the Members of Inuvi Health Limited

Opinion

We have audited the financial statements of Inuvi Health Limited (the 'company') for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Inuvi Health Limited

Independent Auditor's Report (Continued)

To the Members of Inuvi Health Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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.

Inuvi Health Limited

Independent Auditor's Report (Continued)

To the Members of Inuvi Health Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Inuvi Health Limited

Independent Auditor's Report (Continued)

To the Members of Inuvi Health Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Inuvi Health Limited

Independent Auditor's Report (Continued)

To the Members of Inuvi Health Limited

Karen Wardell
Senior Statutory Auditor
for and on behalf of Moore Kingston Smith LLP

28 June 2024

Chartered Accountants
Statutory Auditor

Orbital House
20 Eastern Road
Romford
Essex
RM1 3PJ

Inuvi Health Limited

Statement of Comprehensive Income For the year ended 31 December 2023

	Notes	2023 £	2022 £
Turnover	3	13,034,415	11,246,330
Cost of sales		(7,928,303)	(7,048,721)
Gross profit		5,106,112	4,197,609
Administrative expenses		(4,503,074)	(3,548,890)
Other operating income		-	273,483
Acquisition costs	4	(155,361)	-
Operating profit	5	447,677	922,202
Interest receivable and similar income	8	27,874	-
Profit before taxation		475,551	922,202
Tax on profit	9	(164,584)	(175,425)
Profit for the financial year		310,967	746,777

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

Inuvi Health Limited

Balance Sheet

As at 31 December 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Goodwill	10	349,484		17,888	
Other intangible assets	10	216,384		197,120	
Total intangible assets		565,868		215,008	
Tangible assets	11	110,585		96,991	
Investments	12	1,493,040		-	
		2,169,493		311,999	
Current assets					
Debtors	14	4,277,478		3,690,241	
Cash at bank and in hand		829,512		1,259,238	
		5,106,990		4,949,479	
Creditors: amounts falling due within one year	15	(3,516,463)		(1,822,695)	
Net current assets		1,590,527		3,126,784	
Total assets less current liabilities		3,760,020		3,438,783	
Provisions for liabilities					
Deferred tax liability	16	(60,610)		(50,340)	
			(60,610)		(50,340)
Net assets		3,699,410		3,388,443	
Capital and reserves					
Called up share capital	18	118		118	
Share premium account		99,982		99,982	
Profit and loss reserves		3,599,310		3,288,343	
Total equity		3,699,410		3,388,443	

The financial statements were approved by the board of directors and authorised for issue on 27 June 2024 and are signed on its behalf by:

J Benton
Director

Company Registration No. 08811416

Inuvi Health Limited

Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital	Share premium	Share loss reserves	Total
	£	£	£	£
Balance at 1 January 2022	118	99,982	2,541,566	2,641,666
Year ended 31 December 2022:				
Profit and total comprehensive income for the year	-	-	746,777	746,777
Balance at 31 December 2022	118	99,982	3,288,343	3,388,443
Year ended 31 December 2023:				
Profit and total comprehensive income for the year	-	-	310,967	310,967
Balance at 31 December 2023	118	99,982	3,599,310	3,699,410

Inuvi Health Limited

Notes to the Financial Statements

For the year ended 31 December 2023

1 Accounting policies

Company information

Inuvi Health Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 10 Millars Brook Business Park, Molly Millars Lane, Wokingham, United Kingdom, RG41 2AD.

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 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the company are consolidated in the financial statements of Inuvi Group Limited (formerly Longacre MSS Group Limited). These consolidated financial statements are available from its registered office, 1 Mercer Street, London, WC2H 9QJ.

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. In the period following the year end, forecasts were produced and approved by the directors which show the company can continue to operate for at least the next twelve months following the approval of the financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Inuvi Health Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

1 Accounting policies

(Continued)

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 contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 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:

Computer Software	33% straight line
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1.7 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.

Inuvi Health Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

1 Accounting policies

(Continued)

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

Leasehold improvements	33% straight line
Fixtures and fittings	33% straight line
Computers	33% 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.

1.8 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 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.

1.10 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.

1.11 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.

Inuvi Health Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

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.

Inuvi Health Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

1 Accounting policies

(Continued)

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.

1.12 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.

1.13 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.

Inuvi Health Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

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.

1.14 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.

1.15 Retirement benefits

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

1.16 Leases

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

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 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 in the period are included in profit or loss.

Inuvi Health Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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.

Depreciation

The company exercises judgements to determine useful lives and residual useful lives and residual values for tangible fixed assets. The assets are depreciated down to their residual values over their estimated useful lives.

Amortisation

The company exercises judgements to determine useful lives and residual useful lives and residual values for intangible fixed assets. The assets are depreciated down to their residual values over their estimated useful lives.

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Sale of services	13,034,415	11,246,330
	<u> </u>	<u> </u>
	2023	2022
	£	£
Turnover analysed by geographical market		
UK	13,034,415	11,246,330
	<u> </u>	<u> </u>
	2023	2022
	£	£
Other significant revenue		
Interest income	27,874	-
	<u> </u>	<u> </u>

Inuvi Health Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

4 Exceptional item

	2023 £	2022 £
Expenditure		
Acquisition costs	155,361	-
	<u>155,361</u>	<u>-</u>

5 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	585	(1,457)
Fees payable to the company's auditor for the audit of the company's financial statements	16,200	15,420
Depreciation of owned tangible fixed assets	62,786	64,275
Amortisation of intangible assets	158,843	107,281
	<u>238,414</u>	<u>186,009</u>

6 Employees

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

2023 Number	2022 Number
67	65
<u>67</u>	<u>65</u>

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	2,968,894	2,225,812
Social security costs	289,177	221,496
Pension costs	126,418	76,831
	<u>3,384,489</u>	<u>2,524,139</u>

7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	643,256	509,090
Company pension contributions to defined contribution schemes	23,212	14,905
	<u>666,468</u>	<u>523,995</u>

Inuvi Health Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

7 Directors' remuneration

(Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	253,810	329,052

8 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	1,783	-
Other interest income	26,091	-
Total income	27,874	-

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	1,783	-
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9 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	155,376	148,335
Adjustments in respect of prior periods	(1,062)	513
Total current tax	154,314	148,848
Deferred tax		
Origination and reversal of timing differences	10,270	20,198
Changes in tax rates	-	6,379
Total deferred tax	10,270	26,577
Total tax charge	164,584	175,425

Inuvi Health Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

9 Taxation

(Continued)

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:

	2023 £	2022 £
Profit before taxation	475,551	922,202
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%)</i>	118,888	175,218
Tax effect of expenses that are not deductible in determining taxable profit	44,244	207
Adjustments in respect of prior years	(2,184)	-
Remeasurement of deferred tax for changes in tax rates	737	-
Fixed asset differences	11,419	-
Effect of tax rate change	(8,520)	-
Taxation charge for the year	164,584	175,425

10 Intangible fixed assets

	Goodwill £	Computer Software £	Total £
Cost			
At 1 January 2023	26,624	686,460	713,084
Additions	371,398	138,305	509,703
At 31 December 2023	398,022	824,765	1,222,787
Amortisation and impairment			
At 1 January 2023	8,736	489,340	498,076
Amortisation charged for the year	39,802	119,041	158,843
At 31 December 2023	48,538	608,381	656,919
Carrying amount			
At 31 December 2023	349,484	216,384	565,868
At 31 December 2022	17,888	197,120	215,008

Inuvi Health Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

11 Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 January 2023	52,711	112,844	256,177	421,732
Additions	-	2,149	74,231	76,380
At 31 December 2023	52,711	114,993	330,408	498,112
Depreciation and impairment				
At 1 January 2023	19,182	86,985	218,574	324,741
Depreciation charged in the year	17,570	14,692	30,524	62,786
At 31 December 2023	36,752	101,677	249,098	387,527
Carrying amount				
At 31 December 2023	15,959	13,316	81,310	110,585
At 31 December 2022	33,529	25,859	37,603	96,991

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

		2023 £	2022 £
12 Fixed asset investments			
	Notes	2023 £	2022 £
Investments in subsidiaries	13	1,493,040	-

Inuvi Health Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

12 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2023	-
Additions	1,493,040
At 31 December 2023	1,493,040
Carrying amount	
At 31 December 2023	1,493,040
At 31 December 2022	-

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct	Indirect
Medicals Direct Screening Limited	Unit 10 Millars Brook Business Park, Molly Millars Lane, Wokingham, Berkshire, England, RG41 2AD	Direct	100.00	-
Medicals Direct Screening Services Limited	Unit 10 Millars Brook Business Park, Molly Millars Lane, Wokingham, Berkshire, England, RG41 2AD	Indirect	-	100.00

14 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	1,488,824	1,360,434
Amounts owed by group undertakings	2,557,213	2,182,000
Other debtors	231,441	147,807
	4,277,478	3,690,241

Inuvi Health Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

15 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Trade creditors		453,861	412,624
Amounts owed to group undertakings		1,652,165	346,877
Corporation tax		18,192	661
Other taxation and social security		73,699	69,350
Deferred income		7,600	7,600
Other creditors		676,356	606,665
Accruals and deferred income		634,590	378,918
		<u>3,516,463</u>	<u>1,822,695</u>

16 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	<u>60,610</u>	<u>50,340</u>
Movements in the year:		2023 £
Liability at 1 January 2023		50,340
Charge to profit or loss		<u>10,270</u>
Liability at 31 December 2023		<u>60,610</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

17 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>126,418</u>	<u>76,831</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.

Inuvi Health Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

18 Share capital

	2023 £	2022 £
Ordinary share capital		
Issued and fully paid		
850 'A' Ordinary shares of 5.88p each	50	50
850 'B' Ordinary shares of 5.88p each	50	50
300 'C' Ordinary shares of 5.88p each	18	18
	<u>118</u>	<u>118</u>

All classes of share rank pari passu.

19 Financial commitments, guarantees and contingent liabilities

Santander UK PLC holds a fixed and floating charge over the assets of the company, as the Company acts as guarantor for the bank loan taken out by the parent company, Inuvi Group Limited (formerly Longacre MSS Group Limited).

J Benton holds a fixed and floating charge over the assets of the company, as the Company acts as guarantor for the Loan Notes taken out by the parent company, Inuvi Group Limited (formerly Longacre MSS Group Limited).

Longacre Group Limited holds a fixed and floating charge over the assets of the company, as the Company acts as guarantor for the Loan Notes taken out by the parent company, Inuvi Group Limited (formerly Longacre MSS Group Limited).

20 Operating lease commitments

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:

	2023 £	2022 £
Within one year	139,721	76,937
Between two and five years	532,879	-
	<u>672,600</u>	<u>76,937</u>

21 Related party transactions

Inuvi Health Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

21 Related party transactions

(Continued)

The company is a wholly owned subsidiary of Inuvi Group Limited (formerly Longacre MSS Group Limited) and has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with Inuvi Group Limited (formerly Longacre MSS Group Limited) or other wholly owned subsidiaries within the group.

The company incurred rental charges of £130,918 (2022: £118,381) from 10 Millars Brook Limited in the year, a company owned by two of the Directors. At the year end, the outstanding creditor balance was £nil (2022: £nil).

At the year end the company owed Longacre Group International Ltd, a company with common directors a balance of £nil (2022: £Nil).

At the year end the company owed £nil (2022: £587) in expenses to J Benton, a director.

At the year end the company owed £935 (2022: £1,040) in expenses to R Allison, a director.

22 Ultimate controlling party

The company is a wholly owned subsidiary of Inuvi Group Limited (formerly Longacre MSS Group Limited), a company incorporated in England and Wales.

Longacre Group Limited is the smallest and largest group to prepare consolidated financial statements which include these financial statements. Copies of the financial statements can be obtained from 1 Mercer Street, London, WC2H 9QJ.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.