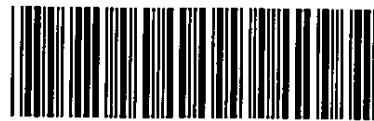


Company Number 03447569

Medicalaw Limited

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**ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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Officers and Professional Advisors

Directors

Mr R Williams (resigned 18 September 2014)

Dr D Pearce (appointed 26 June 2013, resigned 18 September 2014)

Mr R S Terry (appointed 18 September 2014)

Mr L Moorse (appointed 18 September 2014)

Mr R M Fielding (appointed 18 September 2014)

Secretary

Mr E Walker

Registered Office

Evans Business Centre

Manchester Road

Bolton

Lancashire

BL3 2NZ

Bankers

National Westminster Bank plc

313 Bolton Road

Irlams O'th'height

M6 7LR

Solicitors

Dorsey & Whitney LLP

199 Bishopsgate

London EC2M 3UT

Directors' Report

The directors present their report and the unaudited financial statements for the year ended 31 December 2013. The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

Principal activities and business review

As part of the Quindell Group's Health Services Division, the principal activities of the company are the provision of ancillary medico-legal services.

During the year, the Company was acquired by Quindell Plc.

Dividends

The directors do not recommend the payment of a dividend (2012: £150,000).

Directors and their interests

A list of the directors' interests in the shares of Quindell Plc is shown in the accounts of that company.

Going concern

As at December 2013, the Company had cash of £81,436, as well as access to significant banking facilities provided by the wider Quindell Group. No material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Disabled persons policy

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate retraining is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the performance of the Company and its wider Group.

Directors' Responsibility Statement

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

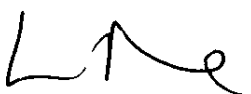
Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors have chosen to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law.

Under company law the directors must not approve the financial statements unless they are 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.

The directors are 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.

By order of the board



L Moorse

25 September 2014

Financial Statements

Income Statement

for the year ended 31 December 2013

	Note	Year ended Dec 2013 £	4 months ended Dec 2012 £
Revenue		1,010,789	174,069
Cost of sales		203,756	(203,978)
Gross profit		807,033	(29,909)
- Total administrative expenses		(306,157)	(41,211)
- Other interest receivable and similar income		373	330
Profit before taxation		501,249	(70,790)
Taxation	7	(116,930)	14,132
Retained profit		384,319	(56,658)

Statement of Changes in Equity

for the year ended 31 December 2013

	Share capital £	Retained earnings £	Total Equity £
At 1 September 2012	120	324,949	325,069
Dividends paid	-	(150,000)	(150,000)
Profit for the year	-	(56,658)	(56,658)
At 31 December 2012	120	118,291	118,411
Profit for the year	-	384,319	384,319
At 31 December 2013	120	502,610	502,730

Financial Statements

Statement of Financial Position

as at 31 December 2013

	Note	31 Dec 2013 £	31 Dec 2012 £	31 Aug 2012 £
Non-current assets				
Property, plant and equipment	8	10,902	10,783	11,714
		10,902	10,783	11,714
Current assets				
Inventories				-
Trade and other receivables	9	1,130,259	908,927	915,476
Cash	10	81,436	224,868	298,236
		1,211,695	1,133,795	1,213,712
Total assets		1,222,597	1,144,578	1,225,426
Current liabilities				
Trade and other payables	11	(601,281)	(979,012)	(839,070)
Current tax liabilities		(116,930)	(45,499)	(59,477)
		(718,211)	(1,024,511)	(898,547)
Non-current liabilities				
Obligations under finance leases		-	-	-
Deferred tax liabilities		(1,656)	(1,656)	(1,810)
		(1,656)	(1,656)	(1,810)
Total liabilities		(719,867)	(1,026,167)	(900,357)
Net assets		502,730	118,411	325,069
Equity				
Share capital	12	120	120	120
Share premium account		-	-	-
Capital contribution reserve		-	-	-
Retained earnings		502,610	118,291	324,949
Total equity		502,730	118,411	325,069

For the year ending 31 December 2013 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary 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

- ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- 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 of Medicalaw Limited, registered number 03447569, on pages 6 to 16 were approved and authorised for issue by the board of directors on 25 September 2014 and signed on its behalf by



Laurence Moorse
Director

Financial Statements

Cash Flow Statement

for the year ended 31 December 2013

	Note	2013 £	2012 £
Cash flows from operating activities			
Cash generated from operations before and tax	13	(65,442)	11,420
Corporation tax paid		(73,665)	(47,970)
Net cash generated from operating activities		(139,107)	(36,550)
Cash flow from investing activities			
Return on investments and servicing of finance		373	330
Equity dividends paid		-	(150,000)
Purchase of property, plant and equipment		(1,574)	(250)
Net cash used in investing activities		(1,201)	(149,920)
Net increase in cash and cash equivalents	14	(140,308)	(186,470)
Cash and cash equivalents at the beginning of the year	10	210,428	396,898
Cash and cash equivalents at the end of the year	10	70,120	210,428

Notes to the Financial Statements

1 General information

Medicalaw Limited is a company incorporated and domiciled in the United Kingdom

2. Adoption of new and revised Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) for the first time IFRS 1 "First-time Adoption of International Financial Reporting Standards" has been applied. The Company's transition date for the adoption of IFRS 1 is 31 August 2012. IFRS 1 permits companies adopting IFRS for the first time to take certain exemptions from full retrospective application of IFRS accounting policies. In accordance with IFRS 1 the company has not revised estimates required under IFRS 1 that were also required under UK GAAP as at 31 December 2012 and 2013, and, in addition where estimates were required under UK GAAP, they have been based on information known at that time, and not on subsequent events. The financial statements have also been prepared in accordance with IFRSs adopted by the European Union. The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets acquired. The principal accounting policies adopted are set out below.

On adoption of IFRSs, there were no accounting standard which affected the reported financial position, financial performance or cash flows of the company. Under UK GAAP the Company was exempt from preparing a cash flow statement. In accordance with IAS1, a third balance sheet has been presented as at 31 August 2012, which is the same position as at the opening balance sheet date of the earliest comparative period, being 1 September 2012. Therefore no transition disclosures or reconciliations are presented. In the current year, the following new and revised Standards and Interpretations have been adopted:

Standards and interpretations not significantly affecting the reported results or the financial position

Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities (effective for periods beginning on or after 1 January 2013)
IFRS 11	Joint Arrangements
IFRS 13	Fair Value Measurement (effective for periods beginning on or after 1 January 2013)
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income (effective for periods beginning on or after 1 January 2013)
IAS 19	Employee Benefits (2011)

Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets (2013)
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IAS 28	(as revised in 2011) Investments in Associates and Joint Ventures
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All amendments issued to IFRS10, IFRS 11, IFRS 12 and IAS 27 have also been applied. Annual improvements issued for 2010-2012 and for 2011-2013 have been considered and applied.

Where any additional disclosure requirements were identified from these standards, the appropriate disclosures have been included in the notes to the accounts.

Accounting standards not yet effective

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not been adopted by the EU):

International Financial Reporting Standards (IFRS)

IFRS 9	Financial Instruments (effective for periods beginning on or after 1 January 2018 but is yet unendorsed)
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures (effective for periods beginning on or after 1 January 2015)
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities (effective for periods beginning on or after 1 January 2014)
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting (effective for periods beginning on or after 1 January 2014)

The Directors do not anticipate that the adoption of these Standards and Interpretations in future periods will have a material impact on the financial statements of the Company.

Notes to the Financial Statements

3 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations adopted by the European Union (EU). The financial statements have been prepared under the historical cost convention. A summary of the significant accounting policies is set out below.

In the opinion of the directors, the company is engaged in only one class of business and its revenue and profit before taxation are derived wholly in the United Kingdom.

Revenue recognition

Revenue is measured at the fair value of the consideration received and represents amounts receivable for services provided in the ordinary course of business, net of discounts and sales taxes.

The Company provides medico-legal services. Income is recognised on delivery of service. Income can be reliably estimated based on agreed charges with customers or instructing parties. Where services are delivered by external parties costs can be reliably estimated based on contractual charges agreed with those suppliers.

Operating profit

Operating profit is profit stated before finance income, finance expense and tax.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment. Depreciation is not provided on freehold land. On other assets, depreciation is calculated to write off the cost less estimated residual values over their estimated useful lives as follows:

Plant, equipment and furniture	15% straight line
--------------------------------	-------------------

Trade receivables

Trade receivables are held at amortised cost less any impairment provisions and this equates to their recoverable value. Amounts set aside for settlement adjustments, which insurers in certain limited circumstances (e.g. due to administrative delays) seek to negotiate, are based on historical experience. The resulting settlement adjustments are recognised within revenue as they relate to revisions of income estimates, not collectability (credit risk). Movements in the impairment provision relating to credit risk are recognised within administrative expenses as bad debt expenses.

Trade payables

Trade payables do not carry any interest and are stated at their fair value.

Cash and cash equivalents

Cash in the Statement of Financial Position comprises cash at banks and in hand. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

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.

Notes to the Financial Statements

4 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made a number of judgements, and the preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition

The Company recognises revenue as described in the revenue recognition accounting policy, when it is reasonably certain that the revenue has been earned.

Notes to the Financial Statements

5 Operating profit

The operating profit for the year is stated after charging/(crediting)

	2013 £	2012 £
Depreciation of property, plant and equipment - owned assets	1,455	1,181
Staff costs (note 9)	77,892	25,986

The Company was not subject to audit in the current or prior year

6 Employee and staff costs

The average number of employees during the year including executive directors was as follows

	2013 Number	2012 Number
Back office management and administration	4	3
	4	3

Total employee costs were as follows

	2013 £	2012 £
Wages and salaries	70,300	23,441
Social security costs	7,592	2,545
	77,892	25,986

Notes to the Financial Statements

7. Taxation

	2013 £	2012 £
The taxation charge comprises		
Current tax		
- Current year	116,930	(13,978)
- Adjustments in respect of prior year	-	-
Total current tax	116,930	(13,978)
Deferred tax		
- Origination and reversal of temporary differences	-	(154)
- Adjustments in respect of prior year	-	-
Total deferred tax	-	(154)
Total tax expense	116,930	(14,132)

Income tax for the UK is calculated at the standard rate of UK corporation tax of 23% (2012: 20%) on the estimated assessable profit for the year. The total charge for the year can be reconciled to the accounting profit as follows:

	2013 £	2012 £
Profit on ordinary activities before tax	501,249	(70,790)
Tax at 23% (2012: 20%) thereon	115,287	(14,158)
Effect of:		
Expenses not deductible for tax purposes	69	26
Change in tax rate	1,239	-
Capital allowances in excess of depreciation	335	-
Total tax charge for the year	116,930	(14,132)

Factors affecting future tax charges

The 2013 Budget on 20 March 2013 announced that the UK corporation tax rate will be reduced to 21% from 1 April 2014 and to 20% from 1 April 2015. These rates were substantially enacted on 2 July 2013. A rate of 20% has been used for deferred tax assets and liabilities being realised or settled after 1 April 2015.

Notes to the Financial Statements

8 Property, plant and equipment

	Plant and equipment £	Total £
Cost		
At 31 August 2012	58,035	58,035
Additions	250	250
At 1 January 2013	58,285	58,285
Additions	1,574	1,574
At 31 December 2013	59,859	59,859
Depreciation		
At 31 March 2012	46,321	46,321
Charge for the year	1,181	1,181
At 1 January 2013	47,502	47,502
Charge for the year	1,455	1,455
At 31 December 2013	48,957	48,957
Net book value		
31 December 2013	10,902	10,902
31 December 2012	10,783	10,783

9 Trade and other receivables

	2013 £	2012 £	31/08/12 £
Trade receivables (net of impairment provision)	993,790	904,380	890,425
Other receivables	32,393	4,547	25,051
Prepayments and accrued income	104,076	-	-
	1,130,259	908,927	915,476

The directors consider that the net carrying amount of Trade receivables approximates to their fair value

10 Cash and cash equivalents

Cash and cash equivalents comprise the following for the purposes of the cash flow statement

	2013 £	2012 £	31/08/12 £
Cash and cash equivalents	81,436	224,868	298,236
	81,436	224,868	298,236

Cash and cash equivalents comprise cash held by the Company. The carrying amount of these assets approximates to their fair value

11 Trade and other payables

	2013 £	2012 £	31/08/12 £
Current liabilities			
Trade payables	453,884	823,880	823,293
Bank overdraft	11,316	14,440	8,785
Amounts due to group companies	22,280	-	-
Payroll and other taxes including social security	107,259	133,135	2,224
Accruals	6,533	-	-
Other liabilities	9	7,557	4,768
	601,281	979,012	839,070

Notes to the Financial Statements

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The directors consider that the carrying amount of Trade payables approximates to their fair value.

12. Share Capital

	2013		2012		31/08/12	
	Number	Nominal value £	Number	Nominal Value £	Number	Nominal Value £
Issued and fully paid						
At the start of the year	120	120	120	120	120	120
Issued during the year	-	-	-	-	-	-
At the end of the year	120	120	120	120	120	120

13. Cash flow from operating activities

	2013 £	2012 £
Operating profit	500,876	(71,120)
Adjustments for:		
Depreciation of property, plant and equipment	1,455	1,181
Operating cash flows before movements in working capital and provisions	502,331	(69,939)
Decrease/(Increase) in trade and other receivables	(193,166)	6,549
(Decrease)/increase in trade and other payables	(374,607)	74,810
Cash generated from operations before exceptional costs	(65,442)	11,420

14. Reconciliation of net cash flow to movement in net funds

	1 January 2013 £	Acquisitions £	Cash flow movements £	Non-cash movements £	31 December 2013 £
Cash and cash equivalents	210,428	-	(140,308)	-	70,120
Net funds	210,428	-	(140,308)	-	70,120

15. Financial instruments

The Company's financial instruments comprise borrowings, cash and liquid resources and various items such as trade debtors and trade creditors that arise from its operations. The Company does not use derivatives. The main purpose of these financial instruments is to manage the Company's operations. It is, and has been throughout the period under review, the policy of the Company that no trading in financial instruments shall be undertaken.

Liquidity risk

The Company has a strong cash position and funds generated from operations are managed centrally.

The following are the contractual maturities of financial liabilities:

	Carrying amount £	Contractual cash flows £	Less than 1 year £	Between 1-5 years £
Non-derivative financial liabilities				
2013				
Trade and other payables	601,281	(601,281)	(601,281)	-
2012				
Trade and other payables	979,012	(979,012)	(979,012)	-

Notes to the Financial Statements

15 Financial instruments (continued)

Credit risk

The Company is not subject to significant concentration of credit risk with exposure spread across many companies. Policies are maintained to ensure that the Company enters into sales contracts that are tailored to the customers' respective credit risk. The credit quality of the Company's trade receivables is considered by management to be good, as evidenced by the low rates of impairment provided and amounts written off.

The average credit period taken on sales of services is 28 days (2012: 26 days). No interest is charged on the receivables balances. The Company does not hold any collateral or other credit enhancements over these balances nor has the legal right of offset with any amounts owed by the Company to the receivables counterparty.

The carrying amount of financial assets represents the maximum credit exposure. At the reporting date the principal financial assets were:

	Note	2013 £	2012 £
Loans and receivables			
Trade receivables	14	993,970	904,380
Cash and cash equivalents	15	81,436	224,868
		1,075,406	1,129,248

The receivables are all based in the UK and denominated in sterling.

The ageing of trade receivables at 31 December was as follows:

	2013 £ Gross	2013 £ Impairment	2013 £ Net	2012 £ Gross	2012 £ Impairment	2012 £ Net
Under 1 year		-	1,130,259	602,636	-	602,636
1 - 2 years		-		206,883	-	206,883
2 - 3 years		-		72,082	-	72,082
3 - 4 years		-		22,779	-	22,779
		-	1,130,259	904,380	-	904,380

Included in the above net trade debtors is £nil (2012: £nil) which are past their due date but not impaired.

16 Ultimate parent company

The immediate parent company is React and Recover Medical Group Limited and the ultimate parent company is Quindell Plc. Copies of the consolidated accounts of Quindell Plc can be obtained by writing to the Company Secretary at Quindell Court, 1 Barnes Wallis Road, Segensworth East, Fareham, Hampshire PO15 5UA.

17 Related party transactions

David Pearce, a connected person by virtue of his directorship, also acted as a medical expert supplying expert reports to the Company, on substantially the same terms as other doctors in the network. All transactions were made on an arms length basis.

During the year, the ultimate parent company entered into an acquisition agreement enabling Quindell Plc to acquire the Company, which completed on 28 June 2013. Sales to the Quindell Group of £307,000 and costs of £497,000 from the Quindell Group were recorded within administrative expenses.