

Company Registration No. 4530717

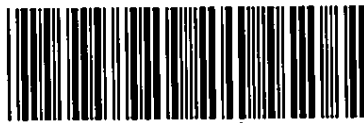
(England and Wales)

UK INDEPENDENT MEDICAL SERVICES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2007

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UK INDEPENDENT MEDICAL SERVICES LIMITED

DIRECTORS AND ADVISERS

Directors	I J Medforth (Executive director) C P Watson (Executive director resigned 14/09/2007) P Healey (Executive director appointed 13/08/2007) J A Mullin (Non Executive resigned 13/08/2007) S D Jenkins (Non Executive resigned 13/08/2007) N A McInnes (Non Executive resigned 13/08/2007)
Secretary	P R Gray
Company number	4530717
Registered office	Indigo House Belmont Business Park Durham DH1 1TW
Registered auditors	HW, Chartered Accountants Floor 11 Cale Cross House 156 Pilgrim Street Newcastle upon Tyne NE1 6SU
Bankers	Bank of Scotland Southern Counties Bank of Scotland Commercial Business Jellicoe House Botleigh Grange Hedge End Southampton SO30 2AF Lloyds TSB Bank PLC 2 nd Floor Skinnergate Darlington DL3 7ND

UK INDEPENDENT MEDICAL SERVICES LIMITED

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UK INDEPENDENT MEDICAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007

The directors present their report and financial statements for the year ended 31 March 2007

Principal activities and review of the business

The principal activity of the company continued to be that of the supply of medico legal services to the legal and insurance professions

Directors

The following directors have held office since 1 April 2006

I J Medforth (Executive director)
P Healey (Executive director appointed 13/08/2007)
C P Watson (Executive director resigned 14/09/2007)
J A Mullin (Non Executive director resigned 13/08/2007)
S D Jenkins (Non Executive director resigned 13/08/2007)
N A McInnes (Non Executive director resigned 13/08/2007)

Results and dividends

The consolidated profit and loss account for the year is set out on page 5

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that HW be reappointed as auditors of the company will be put to the Annual General Meeting

UK INDEPENDENT MEDICAL SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those 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,
- state whether applicable 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 group will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities

Statement of disclosure to auditor

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

By order of the board 14/1/08



I J Medforth (Executive director)

UK INDEPENDENT MEDICAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF UK INDEPENDENT MEDICAL SERVICES LIMITED

We have audited the group and parent company financial statements of UK Independent Medical Services Limited for the year ended 31 March 2007 which comprise the group Profit and Loss account, the group and company Balance Sheet, the group cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the group's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is consistent with the financial statements, if the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

UK INDEPENDENT MEDICAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF UK INDEPENDENT MEDICAL SERVICES LIMITED

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the group's and the parent company's affairs as at 31 March 2007 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985
- the information given in the director's report is consistent with the financial statements

HW

HW

Chartered Accountants
Registered Auditor

21 January 2008

Floor 11 Cale Cross House
156 Pilgrim Street
Newcastle upon Tyne
NE1 6SU

UK INDEPENDENT MEDICAL SERVICES LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2007**

	Notes	2007 £	2006 £
Turnover	2	4,118,300	3,312,744
Cost of sales		(2,466,308)	(2,056,044)
Gross Profit		<u>1,651,992</u>	<u>1,256,700</u>
Administrative expenses		(1,182,206)	(1,030,190)
Operating profit	3	<u>469,786</u>	<u>226,510</u>
Other interest receivable and similar income	4	4,490	3,345
Interest payable and similar charges	5	(199,450)	(123,042)
Profit on ordinary activities before taxation		<u>274,826</u>	<u>106,813</u>
Tax on profit on ordinary activities	6	(88,118)	(31,377)
Profit on ordinary activities after taxation		<u>186,708</u>	<u>75,436</u>

All operations are continuing

There are no recognised gains and losses other than those passing through the profit and loss account

UK INDEPENDENT MEDICAL SERVICES LIMITED

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2007

		Group 2007	Group 2006	Company 2007	Company 2006
	Notes	£	£	£	£
Fixed assets					
Intangible assets	8	149,143	141,050	149,143	141,050
Tangible assets	9	99,218	79,464	99,218	79,464
Investments	10	-	-	2	2
		<u>248,361</u>	<u>220,514</u>	<u>248,363</u>	<u>220,516</u>
Current assets					
Stock and work in progress		355,465	271,963	338,681	271,963
Debtors	11	4,429,392	3,270,725	4,293,360	3,272,673
Cash at bank and in hand		78,382	11,012	74,156	7,778
		<u>4,863,239</u>	<u>3,553,700</u>	<u>4,706,197</u>	<u>3,552,414</u>
Creditors					
Amounts falling due within one year	12	(4,410,285)	(3,283,396)	(4,334,247)	(3,283,396)
Net current assets		<u>452,954</u>	<u>270,304</u>	<u>371,950</u>	<u>269,018</u>
Creditors					
Amounts falling due over one year	13	(252,529)	(300,000)	(252,529)	(300,000)
Provisions for liabilities and charges	14	(86,610)	(15,350)	(86,610)	(15,350)
		<u>362,176</u>	<u>175,468</u>	<u>281,174</u>	<u>174,184</u>
Capital and reserves					
Called up share capital	16	100,000	100,000	100,000	100,000
Profit and loss account	17	262,176	75,468	181,174	74,184
Shareholders' funds – equity interests	18	<u>362,176</u>	<u>175,468</u>	<u>281,174</u>	<u>174,184</u>

The financial statements were approved by the board on 14/1/08


J. Medforth - Director

UK INDEPENDENT MEDICAL SERVICES LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007**

	Note	2007 £	2006 £
Net cash inflow from operating activities	1	441,368	139,297
Returns on investments and servicing of finance			
Interest received		4,490	3,345
Interest paid		(199,450)	(123,042)
		<u>(194,960)</u>	<u>(119,697)</u>
Net cash outflow for returns on investments and servicing of finance			
Taxation		(26,103)	(16,027)
Capital expenditure			
Payments to acquire intangible assets		(39,877)	(30,323)
Payments to acquire tangible assets		(65,587)	(26,373)
		<u>(105,464)</u>	<u>(56,696)</u>
Net cash outflow for capital expenditure			
Net cash inflow/(outflow) before management of liquid resources and financing		114,841	(53,123)
Financing			
New loan		-	40,000
Capital repayment of bank loan		(9,971)	-
Capital repayment of directors loans		(37,500)	-
		<u>(47,471)</u>	<u>40,000</u>
Net cash (outflow)/inflow from financing			
Increase in cash in the year		<u>67,370</u>	<u>(13,123)</u>

UK INDEPENDENT MEDICAL SERVICES LIMITED

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007**

**1. Reconciliation of operating profit to net cash inflow
from operating activities**

	2007	2006
	£	£
Operating profit	469,786	226,512
Depreciation of tangible assets	31,784	10,910
Loss on disposal of tangible assets	45,833	33,428
Increase in stocks	(83,502)	(57,780)
Increase in debtors	(1,158,667)	(1,498,734)
Increase in creditors within one year	1,077,289	1,424,961
Increase in provision	58,845	-
Net cash inflow from operating activities	441,368	139,297

2. Analysis of net funds/(debt)

	1 April 2006	Cash flow	31 March 2007
	£	£	£
Net cash			
Cash at bank and in hand	11,012	67,370	78,382
Bank overdrafts	-	-	-
	<u>11,012</u>	<u>67,370</u>	<u>78,382</u>
Bank deposits			
Debt			
Debts falling due within one year	(10,000)	-	(10,000)
Debts falling due after one year	(300,000)	47,471	(252,259)
Net debt	(298,988)	114,841	(184,147)

3. Reconciliation of net cash flow to movement in net debt

	2007	2006
	£	£
Increase in cash in the year	67,370	(13,123)
Cash outflow/(inflow) from decrease/(increase) in debt	47,471	(40,000)
Movement in net funds in the year	114,841	(53,123)
Opening net funds	(298,988)	(245,865)
Closing net funds	(184,187)	(298,988)

UK INDEPENDENT MEDICAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently throughout

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings up to 31 March 2007. Inter group sales and profits are eliminated fully on consolidation. The results of the subsidiaries have been consolidated using acquisition accounting.

1.4 Turnover

Income is recognised when, and to the extent that, the company obtains the right to consideration in exchange for its performance.

1.5 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated as cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery etc	25% straight line method
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1.7 Leasing

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

UK INDEPENDENT MEDICAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

1. Accounting policies (Continued)

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.9 Stock

Work in progress is valued at the lower of cost and net realisable value. Costs include all direct expenditure based on normal levels of activity

1.10 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2. Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2007	2006
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	31,784	10,910
Depreciation of tangible assets	45,833	33,428
Directors' emoluments	156,062	125,286
Auditors' remuneration	2,500	2,500
	<hr/>	<hr/>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2006 -2)

4. Investment income	2007	2006
	£	£
Bank interest	4,490	3,345
	<hr/>	<hr/>

UK INDEPENDENT MEDICAL SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007**

5	Interest payable	2007	2006
	Bank interest	6,690	6,335
	Factor interest	174,556	100,628
	Other interest	18,204	16,079
		<hr/>	<hr/>
		199,450	123,042
		<hr/>	<hr/>
6	Taxation	2007	2006
		£	£
	Domestic current year tax		
	U K corporation tax	76,000	26,400
	Adjustment for prior years	(297)	(10,373)
		<hr/>	<hr/>
	Current tax charge	75,703	16,027
	Deferred tax		
	Deferred tax charge	12,415	15,350
		<hr/>	<hr/>
		88,118	31,377
		<hr/>	<hr/>

UK INDEPENDENT MEDICAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

7. Result for the financial year

As permitted by Section 230 of the Companies Act 1985, the parent company's profit and loss account has not been included in these financial statements. The profit for the financial year dealt with in the financial statements of the parent company was £106,990

8. Intangible fixed assets Group and company

	Development Costs £
Cost	
At 1 April 2006	151,960
Additions	39,877
	<hr/>
At 31 March 2007	191,837
	<hr/>
Amortisation	
At 1 April 2006	10,910
Charge for the year	31,784
	<hr/>
At 31 March 2007	42,694
	<hr/>
Net book value	
At 31 March 2007	149,143
	<hr/>
At 31 March 2006	141,050
	<hr/>

Development costs have been capitalised in accordance with SSAP13 'Accounting for research and development'. The costs relate to the development of the Proclaim system. The first stage of development was completed 1 October 2005 and further enhancements have been made in the year. The amount capitalised are being written off over a period of 5 years.

UK INDEPENDENT MEDICAL SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007**

9 Tangible fixed assets
Group and company

	Plant and machinery etc £
Cost	
At 1 April 2006	148,816
Additions	65,587
Disposals	-
	<hr/>
At 31 March 2007	214,403
	<hr/>
Depreciation	
At 1 April 2006	69,352
On disposals	-
Charge for the year	45,833
	<hr/>
At 31 March 2007	115,185
	<hr/>
Net book value	
At 31 March 2007	99,218
	<hr/>
At 31 March 2006	79,464
	<hr/>

UK INDEPENDENT MEDICAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

10. Fixed asset investments

Company	Shares in group undertakings £
Cost and Net Book Value	
At 1 April 2006 and at 31 March 2007	2

Holdings of more than 20%

The company holds more than 20% of the share capital of the following company

Company	Company of registration or incorporation	Class of share	Shares held %
UK Legal Funding Solutions Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of this subsidiary undertaking for the last relevant financial year were as follows

	Capital and reserves 2007 £	Profit for the year 2007 £
UK Legal Funding Solutions Limited	81,004	79,718

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

UK INDEPENDENT MEDICAL SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007**

11 Debtors

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Trade debtors	4,162,700	3,018,329	4,026,668	3,020,277
Other debtors	266,692	252,396	266,692	252,396
	<u>4,429,392</u>	<u>3,270,725</u>	<u>4,293,360</u>	<u>3,272,673</u>

12. Creditors: amounts falling due within one year

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Bank loans (secured)	10,000	10,000	10,000	10,000
Trade creditors	1,474,109	1,159,989	1,417,071	1,159,989
Taxes and social security costs	91,359	41,923	72,359	41,923
Other creditors (secured)	2,834,817	2,071,484	2,834,817	2,071,484
	<u>4,410,285</u>	<u>3,283,396</u>	<u>4,334,247</u>	<u>3,283,396</u>

Other creditors of £2,798,618 (2006 £2,018,605) are secured over the debtors to which they relate

UK INDEPENDENT MEDICAL SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007**

13 Creditors, amounts falling due over one year

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Bank loan (secured)	65,029	75,000	65,029	75,000
Directors loan accounts	187,500	225,000	187,500	225,000
	<u>252,529</u>	<u>300,000</u>	<u>252,529</u>	<u>300,000</u>

The bank loan is secured by a debenture dated 09/01/2004

14. Provisions for liabilities and charges

	Other £	Deferred tax liability £	Total £
Balance at 1 April 2006	-	15,350	15,350
Profit and loss account	58,845	12,415	71,260
Balance at 31 March 2007	<u>58,485</u>	<u>27,765</u>	<u>86,610</u>

The deferred tax liability is made up as follows :

	2007 £	2006 £
Accelerated capital allowances	<u>27,765</u>	<u>15,350</u>

The other provision relates to credit notes that will be issued as a result of the outcome of the Woollard case

UK INDEPENDENT MEDICAL SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007**

15. Pension costs

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

Defined contribution

	2007	2006
	£	£
Contributions payable by the company for the year	18,921	15,793
	<u> </u>	<u> </u>

16. Share capital

	2007	2006
	£	£
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u> </u>	<u> </u>

17. Statement of movements on reserves

Group	Profit and loss account £
Balance at 1 April 2006	75,468
Retained profit for the year	186,708
	<u> </u>
Balance at 31 March 2007	262,176
	<u> </u>

UK INDEPENDENT MEDICAL SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007**

17. Statement of movements on reserves

Company

	Profit and loss account £
Balance at 1 April 2006	74,184
Retained profit for the year	106,990
	<hr/>
Balance at 31 March 2007	181,174
	<hr/>

18 Reconciliation of movements in shareholders funds

Group

	2007 £	2006 £
Profit for the financial year	186,708	75,436
	<hr/>	<hr/>
Net additions to shareholders' funds	186,708	75,436
	<hr/>	<hr/>
Opening shareholders' funds	175,468	100,032
	<hr/>	<hr/>
Closing shareholders' funds	362,176	175,468
	<hr/>	<hr/>

Company

	2007 £	2006 £
Profit for the financial year	106,990	74,152
	<hr/>	<hr/>
Net additions to shareholders' funds	106,990	74,152
	<hr/>	<hr/>
Opening shareholders' funds	174,184	100,032
	<hr/>	<hr/>
Closing shareholders' funds	281,174	174,184
	<hr/>	<hr/>

UK INDEPENDENT MEDICAL SERVICES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007**

19. Financial commitments

At 31 March 2007 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2007	2006
Expiry date		
In over five years	67,563	67,563
	<hr/>	<hr/>
	67,563	67,563
	<hr/>	<hr/>

20 Directors' emoluments

	2007	2006
	£	£
Emoluments for qualifying services	156,062	125,266
	<hr/>	<hr/>

UK INDEPENDENT MEDICAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

21. Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2007	2006
	£	£
Sales and services	15	13
Administration and management	12	9
	<u>27</u>	<u>22</u>

Employment costs

	2007	2006
	£	£
Wages and salaries	510,647	463,394
Social security costs	51,117	43,655
Other pension costs	18,921	15,793
	<u>580,685</u>	<u>522,842</u>

22 Transactions with directors

During the year £28,200 (2006 £48,200) of purchases were made from Legal Imaging Solutions for the provision of scanning services. This is a related company by virtue of common ownership. UK Independent Medical Services Limited provided rent free office space to this company during the year. No balances were outstanding between the two companies at the year end.

At the year end there was a balance due of £37,117 (2006 £41,963) from UK Legal Funding Solutions Limited, a 100% subsidiary of the company. Legal Evolve Limited, a related company by virtue of a common shareholder, had a balance due at the year end of £1,217 (2006 £nil).

During the year loans of £187,500 (2006 £225,000) were owed by the company to the following related parties: N McInnes £27,083 (2006 £42,500), S Jenkins £35,417 (2006 £42,500), CLE Investments £70,833 (2006 £85,000), I J Medforth £2,500 (2006 £3,000) and P Healey £51,667 (2006 £52,000).