

**UK Independent Medical Services Limited**

Directors' report and financial  
statements

Registered number 04530717

31 December 2011

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## Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2011

### Principal activities

The principal activity of the company is the supply of independent medico legal services to the legal and insurance professions

### Business review

Our core business still provides the basis for the majority of our current growth and profitability. Turnover increased by 4% from the comparable 12 month period, with stable gross margin.

We continue to go from strength to strength, winning sales from our competitors, and retaining clients due to our commitment to excellence.

To support our current and future growth, our owners (ExamWorks Inc) and bankers (Barclays) have provided all of the necessary financial support and remain fully committed to the business.

To further aid this growth, we moved into larger premises during the year, with an additional 7,500 sq ft of floor space.

### Future developments

Going forward, the business will continue to look at growth opportunities both within its core arena and through further diversification of its portfolio of business services. As the first half of the current financial year closes, the company continues to expand.

### Proposed dividend

The directors do not recommend the payment of a dividend.

### Directors

The directors who held office during the year were as follows:

PC Healey (appointed 19 August 2011)

RE Perlman

JK Price

IJ Medforth (appointed 8 September 2011)

### Political and charitable contributions

The company made no political donations or incurred any political expenditure during the year. Charitable donations amounted to £2,126 (*nine month period ended 31 December 2010: £6,852*).

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

## **Directors' report** *(continued)*

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



**PC Healey**  
*Director*

Brenner House  
Rainton Bridge Business Park  
Houghton le Spring  
Tyne and Wear  
DJ4 5RA

17 September 2012

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

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

Company law requires the directors to prepare the financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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, 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

Quayside House  
110 Quayside  
Newcastle upon Tyne  
NE1 3DX  
United Kingdom

## **Independent auditor's report to the members of UK Independent Medical Services Limited**

We have audited the financial statements of UK Independent Medical Services Limited for the year ended 31 December 2011 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of UK Independent Medical Services Limited** *(continued)*

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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 disclosure of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Richard Evans (Senior Statutory Auditor)**  
*for and on behalf of KPMG LLP, Statutory Auditor*  
*Chartered Accountants*  
Quayside House  
110 Quayside  
Newcastle upon Tyne  
NE1 3DX

17 September 2012

**Profit and loss account**  
*for the year ended 31 December 2011*

	<i>Note</i>	<b>2011</b> <b>£</b>	Nine month period ended 31 December 2010 <b>£</b>
<b>Turnover</b>	<b>2</b>	<b>12,500,668</b>	8,784,968
Cost of sales		<b>(8,963,110)</b>	(6,277,189)
<b>Gross profit</b>		<b>3,537,558</b>	2,507,779
Administrative expenses		<b>(2,732,417)</b>	(1,672,769)
<b>Operating profit</b>		<b>805,141</b>	835,010
Interest receivable and similar income	<b>6</b>	<b>196</b>	-
Interest payable and similar charges	<b>7</b>	<b>(113,454)</b>	(103,629)
<b>Profit on ordinary activities before taxation</b>	<b>2-7</b>	<b>691,883</b>	731,381
Tax on profit on ordinary activities	<b>8</b>	<b>(167,415)</b>	14,049
<b>Profit for the financial period</b>	<b>18</b>	<b>524,468</b>	745,430

The company has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented

All results derive from continuing operations



**Balance sheet**  
*at 31 December 2011*

	<i>Note</i>	<b>2011</b>		<b>2010</b>	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		103,258		180,876
Tangible assets	11		338,373		160,175
Investments	12		607		607
			<hr/>		<hr/>
			442,238		341,658
<b>Current assets</b>					
Debtors (including £70,816 (2010 £nil) due after more than one year)	13	12,667,138		9,798,219	
Cash at bank and in hand		1,569		287	
		<hr/>		<hr/>	
		12,668,707		9,798,506	
<b>Creditors</b> amounts falling due within one year	14	(11,002,577)		(8,535,163)	
		<hr/>		<hr/>	
<b>Net current assets</b>			1,666,130		1,263,343
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			2,108,368		1,605,001
			<hr/>		<hr/>
<b>Creditors</b> , amounts falling due after more than one year	15	(81,004)		(81,004)	
<b>Provisions for liabilities</b>	16	-		(21,101)	
		<hr/>		<hr/>	
<b>Net assets</b>			2,027,364		1,502,896
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	17	105,300		105,300	
Profit and loss account	18	1,922,064		1,397,596	
		<hr/>		<hr/>	
<b>Shareholders' funds</b>			2,027,364		1,502,896
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 17 September 2012 and were signed on its behalf by



**PC Healey**  
*Director*

Company registered number 04530717

**Cash flow statement**  
*for the year ended 31 December 2011*

			Nine month period ended 31 December
	Note	2011 £	2010 £
Operating profit		805,141	835,010
Depreciation charges		104,515	75,910
Amortisation charges		88,043	44,697
Loss/(profit) on sale of fixed assets		1,791	(5,644)
Increase in debtors		(2,298,103)	(60,864)
Increase/(decrease) in creditors		2,195,538	(345,612)
<b>Net cash inflow from operating activities</b>		<b>896,925</b>	<b>543,497</b>
<b>Returns on investments and servicing of finance</b>	21	<b>(113,258)</b>	<b>(103,629)</b>
<b>Taxation</b>		<b>(125,000)</b>	<b>(260,438)</b>
<b>Capital expenditure and financial investment</b>	21	<b>(794,929)</b>	<b>(55,431)</b>
<b>Dividends paid on shares classified in shareholders' funds</b>		<b>-</b>	<b>(20,115)</b>
Cash (outflow)/inflow before financing		(136,262)	103,884
<b>Financing</b>	21	<b>(1,224)</b>	<b>(22,652)</b>
<b>(Decrease)/increase in cash in the period</b>		<b>(137,486)</b>	<b>81,232</b>
<b>Reconciliation of net cash flow to movement in net debt</b>	22		
<b>(Decrease)/increase in cash in the period</b>		<b>(137,486)</b>	<b>81,232</b>
Financing		1,224	22,652
Issue of ordinary share capital		-	5,300
<b>Movement in net debt in the period</b>		<b>(136,262)</b>	<b>109,184</b>
<b>Net debt at the start of the period</b>		<b>(200,976)</b>	<b>(310,160)</b>
<b>Net debt at the end of the period</b>		<b>(337,238)</b>	<b>(200,976)</b>

**Reconciliation of movements in shareholders' funds**  
*for the year ended 31 December 2011*

		Nine month period ended 31 December
	2011 £	2010 £
<b>Profit for the financial year</b>	<b>524,468</b>	745,430
Dividends on shares classified in shareholders funds	-	(20,115)
	<hr/>	<hr/>
<b>Retained profit</b>	<b>524,468</b>	725,315
New share capital subscribed	-	5,300
	<hr/>	<hr/>
<b>Net addition to shareholders' funds</b>	<b>524,468</b>	730,615
Opening shareholders' funds	<b>1,502,896</b>	772,281
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>2,027,364</b>	1,502,896
	<hr/>	<hr/>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules

The company has not prepared group financial statements on the grounds of materiality. All subsidiaries are dormant, with negligible net assets and are therefore considered immaterial. These financial statements present information about the company as an individual undertaking and not about its group.

As 100% of the company's voting rights are controlled within the group headed by ExamWorks Group Inc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

#### *Going concern*

The company's business activities, together with the factors likely to affect its future development and position, are set out in the business review section of the directors' report on page 1.

The company meets its day to day working capital requirements through a bank credit facility and loans from group undertakings. The current economic conditions create uncertainty over the level of demand for the company's services and the availability of bank credit facilities in the foreseeable future.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities.

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

#### *Goodwill*

Goodwill represents the reallocation of the excess of the fair value over the book value of acquired subsidiary's identifiable net assets at acquisition, following transfer of trade and net assets of that subsidiary to the company (see also note 10). Goodwill is amortised to nil by equal annual instalments over its estimated useful life of 20 years.

#### *Intangible fixed assets and amortisation*

Intangible fixed assets purchased separately from a business are capitalised at their cost.

Development expenditure is amortised to nil by equal annual instalments over their useful economic lives, generally their respective unexpired periods, of five years.

#### *Investments*

Investments in subsidiary undertakings are stated at cost less amounts written off.

#### *Tangible fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixtures and fittings	-	25% per annum
Motor vehicles	-	20% per annum

#### *Leases*

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Post-retirement benefits*

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. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### *Research and development expenditure*

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred. Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to exceed related future sales and adequate resources exist to enable the project to be completed.

#### *Taxation*

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### *Turnover*

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Turnover is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of turnover can be measured reliably.

#### *Dividends on shares presented within shareholders' funds*

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

#### *Cash*

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

### 2 Analysis of turnover

	2011 £	Nine month period ended 31 December 2010 £
<i>By activity</i>		
Medico legal services	12,032,179	8,218,102
Other services	468,489	566,866
	<hr/>	<hr/>
	12,500,668	8,784,968
	<hr/>	<hr/>

## Notes (continued)

### 3 Notes to the profit and loss account

	2011 £	Nine month period ended 31 December 2010 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation and other amounts written off tangible fixed assets		
Owned assets	103,395	75,070
Leased assets	1,120	840
Amortisation of goodwill	3,462	2,614
Amortisation of development costs	84,581	42,083
Hire of assets – operating leases	250,328	49,029

#### Auditors' remuneration

	2011 £	Nine month period ended 31 December 2010 £
Audit of these financial statements	20,000	25,000
Amounts receivable by the auditors and their associates in respect of		
Other services pursuant to such legislation	1,500	6,250
Other services relating to taxation	4,000	4,000

### 4 Remuneration of directors

	2011 £	Nine month period ended 31 December 2010 £
Directors emoluments	74,814	252,111
Company contributions to money purchase pension schemes	3,332	13,040

The emoluments of the highest paid director was £37,407 (*nine month period ended 31 December 2010 £120,309*), and company pension contributions of £1,666 (*nine month period ended 31 December 2010 £5,190*) were made to a money purchase scheme on his behalf

Retirement benefits are accruing to two directors (*2010 three directors*) under money purchase schemes

## Notes (continued)

### 5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows

	<b>Number of employees</b>	
		Nine month period ended 31 December
	<b>2011</b>	<b>2010</b>
Management	5	5
Direct staff	53	50
Indirect staff	12	13
Finance staff	11	10
	<u>81</u>	<u>78</u>

The aggregate payroll costs of these persons were as follows

		Nine month period ended 31 December
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,793,794	1,366,726
Social security costs	167,092	131,943
Other pension costs (see note 20)	62,466	39,278
	<u>2,023,352</u>	<u>1,537,947</u>

### 6 Interest receivable and similar income

		Nine month period ended 31 December
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Bank interest	196	-
	<u>196</u>	<u>-</u>

### 7 Interest payable and similar charges

		Nine month period ended 31 December
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
On amounts payable to factors	113,393	83,395
On amounts payable to group undertakings	-	18,991
Finance charges payable in respect of finance leases and hire purchase contracts	61	1,243
	<u>113,454</u>	<u>103,629</u>

## Notes (continued)

### 8 Taxation

#### Analysis of charge/(credit) in period

	2011 £	£	Nine month Period ended 31 December 2010 £	£
<i>UK corporation tax</i>				
Current tax on income for the period		259,332		-
<i>Deferred tax (see note 16)</i>				
Origination/reversal of timing differences	(89,733)		(12,794)	
Effect of decreased tax rate	(2,184)		(1,255)	
Total deferred tax		(91,917)		(14,049)
Tax charge/(credit) on profit on ordinary activities		167,415		(14,049)

#### Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2010 lower) than the standard rate of corporation tax in the UK (26 5%; nine month period ended 31 December 2010 28%) The differences are explained below

	2011 £	Nine month period ended 31 December 2010 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	691,883	731,381
Current tax at 26 5% (2010 28%)	183,349	204,787
<i>Effects of</i>		
Expenses not deductible for tax purposes	29,853	19,598
EMI deduction	-	(109,875)
Depreciation for period in excess of/(less than) capital allowances	4,104	(3,071)
Prior year adjustment impact	-	(124,392)
Other timing differences	58,209	(4,146)
Tax losses carried forward	-	17,099
Utilisation of losses brought forward	(16,183)	-
Total current tax charge (see above)	259,332	-

#### Factors that may affect future current and total tax charges

The company has trading losses of £nil (2010 £61,068) available to offset against future trading profits

The main rate of UK corporation tax changed from 28% to 26% on 1 April 2011 A further reduction in the main rate of UK corporation tax, to 25% with effect from 1 April 2012, became substantively enacted in July 2011 and therefore the effect of this further rate reduction on the deferred tax asset as at 31 December 2011 has been included in the figures above

In March 2012 the Chancellor announced a further reduction in the main rate of UK corporation tax to 24% with effect from 1 April 2012 This change became substantively enacted on 26 March 2012 and therefore the effect of the rate change would create an additional reduction in the deferred tax asset at 31 December 2011 of approximately £2,833 This has not been reflected in the figures above as it was not substantively enacted at the balance sheet date



## Notes (continued)

### 8 Taxation (continued)

The Chancellor has also proposed changes to further reduce the main rate of corporation tax by one percent per annum to 22% by 1 April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above. The overall effect of the reductions from 24% to 22%, if these applied to the deferred tax asset at 31 December 2011, would be to further reduce the deferred tax asset by approximately £5,665.

### 9 Dividends

The aggregate amount of dividends comprise

	2011 £	Nine month period ended 31 December 2010 £
Final dividends paid in respect of the current year	-	20,115

### 10 Intangible fixed assets

	Goodwill £	Development costs £	Total £
<b>Cost</b>			
At beginning of year	69,246	345,161	414,407
Additions	-	10,425	10,425
At end of year	69,246	355,586	424,832
<b>Amortisation</b>			
At beginning of year	9,586	223,945	233,531
Charged in year	3,462	84,581	88,043
At end of year	13,048	308,526	321,574
<b>Net book value</b>			
At 31 December 2011	56,198	47,060	103,258
At 1 January 2011	59,660	121,216	180,876

As part of a group reconstruction the trade and net assets of Legal Imaging Solutions Limited, a subsidiary undertaking, were transferred to the company at their book value, which was less than their fair value. The cost of the company's investment in that subsidiary undertaking reflected the underlying fair value of its net assets and goodwill at the time of acquisition. As a result of this transfer, the value of the company's investment in Legal Imaging Solutions Limited fell below the amount at which it was stated in the company's accounting records. The Companies Act requires that the investment be written down accordingly and that the amount be charged as a loss in the company's profit and loss account. However, the directors consider that, as there has been no overall loss to the company, it would fail to give a true and fair view to charge that diminution to the company's profit and loss account and it should instead be re-allocated to goodwill and identifiable net assets transferred, so as to recognise in the company's individual balance sheet the effective cost to the company of those net assets and goodwill. The effect of this departure is to increase the amount of goodwill by £69,246.

## Notes (continued)

### 11 Tangible fixed assets

	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At beginning of year	540,684	7,850	548,534
Additions	284,504	-	284,504
Disposals	(14,325)	-	(14,325)
	<hr/>	<hr/>	<hr/>
At end of year	810,863	7,850	818,713
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At beginning of year	387,049	1,310	388,359
Charge for year	102,943	1,572	104,515
On disposals	(12,534)	-	(12,534)
	<hr/>	<hr/>	<hr/>
At end of year	477,458	2,882	480,340
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2011	333,405	4,968	338,373
	<hr/>	<hr/>	<hr/>
At 1 January 2011	153,635	6,540	160,175
	<hr/>	<hr/>	<hr/>

Included in the net book value of fixtures, fittings and equipment is £nil (2010 £1,120) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the period on these assets was £1,120 (nine month period ended 31 December 2010 £840)

### 12 Fixed asset investments

	Shares in group undertakings £
<b>Cost</b>	
At beginning and end of year	20,752
	<hr/>
<b>Provisions</b>	
At beginning and end of year	20,145
	<hr/>
<b>Net book value</b>	
At 31 December 2011	607
	<hr/>
At 1 January 2011	607
	<hr/>

## Notes (continued)

### 12 Fixed asset investments (continued)

The principal companies in which the company's interest at the year end is more than 20% are as follows

	Country of incorporation	Principal activity	Class and percentage of shares held
<b>Subsidiary undertakings</b>			
Axis Costs Limited	England and Wales	Dormant	100% Ordinary
Independent Medical Experts Limited	England and Wales	Dormant	100% Ordinary
Independent Medicals Limited	England and Wales	Dormant	100% Ordinary
Independent Medical Assessment Services Limited	England and Wales	Dormant	100% Ordinary
Independent Medical Providers Limited	England and Wales	Dormant	100% Ordinary
Independent Medical Reporting (IMR) Limited	England and Wales	Dormant	100% Ordinary
Independent Reports Limited	England and Wales	Dormant	100% Ordinary
UK Legal Funding Solutions Limited	England and Wales	Dormant	100% Ordinary
UK Legal Imaging Services Limited	England and Wales	Dormant	100% Ordinary
Independent Medical Reports Limited	England and Wales	Dormant	100% Ordinary

### 13 Debtors

	2011 £	2010 £
Trade debtors	11,079,269	9,531,568
Amounts owed by group undertakings	503,475	-
Other debtors	3,763	2,119
Deferred tax assets (note 16)	70,816	-
Prepayments and accrued income	1,009,815	264,532
	<u>12,667,138</u>	<u>9,798,219</u>

Included within deferred tax assets is £70,816 (2010 £nil) expected to be recovered in more than one year

### 14 Creditors: amounts falling due within one year

	2011 £	2010 £
Bank overdrafts	338,807	200,039
Obligations under finance leases and hire purchase contracts	-	1,224
Trade creditors	3,311,436	3,195,828
Amounts owed to group undertakings	547,467	178,602
Corporation tax	134,332	-
Other taxes and social security	2,068,822	1,646,185
Other creditors	4,240,673	3,230,451
Accruals and deferred income	361,040	82,834
	<u>11,002,577</u>	<u>8,535,163</u>

Other creditors comprise £4,240,673 (2010 £3,230,451) invoice discounting facility provided by Barclays Bank Plc. The facility is secured against trade debtors and carries interest at base rate + 2.5%

## Notes (continued)

### 15 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Amounts owed to group undertakings	<u>81,004</u>	<u>81,004</u>

### 16 Provisions for liabilities

	Deferred taxation £
At beginning of year – (liability)	(21,101)
Credit to the profit and loss for the year	<u>91,917</u>
At end of year – asset	<u>70,816</u>

The elements of deferred taxation are as follows

	2011 £	2010 £
Difference between accumulated depreciation and amortisation and capital allowances	14,436	(37,589)
Other timing differences	56,380	-
Tax losses	-	16,488
Deferred tax asset/(liability)	<u>70,816</u>	<u>(21,101)</u>

### 17 Called up share capital

	2011 £	2010 £
<i>Authorised, allotted, called up and fully paid</i>		
105,300 (2010 105,300) ordinary shares of £1 each	<u>105,300</u>	<u>105,300</u>
Shares classified in shareholders' funds	<u>105,300</u>	<u>105,300</u>

### 18 Reserves

	Profit and loss account £
At beginning of year	1,397,596
Profit for the year	<u>524,468</u>
At end of year	<u>1,922,064</u>

## Notes (continued)

### 19 Commitments

Annual commitments under non-cancellable operating leases are as follows

	2011 Land and buildings £	Other £	2010 Land and buildings £	Other £
Operating leases which expire				
Within one year	57,504	317	-	-
In the second the fifth years inclusive	-	11,215	57,504	11,612
Over five years	164,762	-	-	-
	<u>222,266</u>	<u>11,532</u>	<u>57,504</u>	<u>11,612</u>

### 20 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £62,466 (nine month period ended 31 December 2010 £39,278)

Contributions amounting to £7,552 (2010 £5,864) were payable to the scheme and are included in creditors

### 21 Analysis of cash flows

	2011 £	Nine month period ended 31 December 2010 £
<b>Returns on investment and servicing of finance</b>		
Interest received	196	-
Interest paid	(113,393)	(102,386)
Interest element of finance lease rental payments	(61)	(1,243)
	<u>(113,258)</u>	<u>(103,629)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(284,504)	(33,468)
Purchase of intangible fixed assets	(10,425)	(45,858)
Sale of tangible fixed assets	-	23,895
Loan to group undertakings	(500,000)	-
	<u>(794,929)</u>	<u>(55,431)</u>
<b>Financing</b>		
Issue of ordinary share capital	-	5,300
Capital element of finance lease rental payments	(1,224)	(27,952)
	<u>(1,224)</u>	<u>(22,652)</u>

£s (continued)

## 22 Analysis of net debt

	At beginning of year £	Cash flow £	At end of year £
Cash in hand, at bank	287	1,282	1,569
Overdrafts	(200,039)	(138,768)	(338,807)
		<hr/>	
Finance leases	(1,224)	(137,486) 1,224	-
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>(200,976)</b>	<b>(136,262)</b>	<b>(337,238)</b>
	<hr/>	<hr/>	<hr/>

## 23 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary undertaking of Examworks UK Limited, incorporated in England and Wales. The ultimate parent company is ExamWorks Group Inc, incorporated in the United States of America.

The largest group in which the results of the company are consolidated is that headed by ExamWorks Group Inc, incorporated in the United States of America. The consolidated financial statements of this group are available to the public and may be obtained from 3280 Peachtree Road NE, Suite 2625, Atlanta, GA 30305, USA.