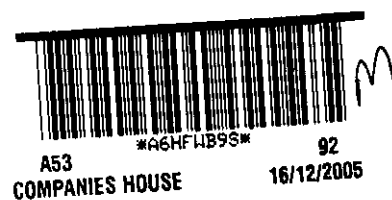


UK Independent Medical Services Ltd

**Financial Statements
(Abbreviated Accounts)
For the year ended 31st March 2005**

**Company Number 4530717
(England & Wales)**



UK Independent Medical Services Ltd
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For the year ended 31st March 2005

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UK INDEPENDENT MEDICAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 6, together with the financial statements of the company for the year ended 31 March 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 company for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

HWCA Ltd.

HWCA LIMITED
Chartered Accountants
& Registered Auditors
Pagefield House
24 Gold Tops
Newport
South Wales
NP20 4PG

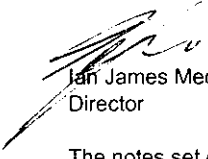
14.12.2005

UK Independent Medical Services Ltd
Abbreviated Balance Sheet
For the year ended 31st March 2005

	Notes	2005 £	2004 £
Fixed Assets			
Intangible assets	2	121,637	
Tangible assets	3	86,519	54,472
Investments	4	2	
Current Assets			
Stock and work in progress		214,183	71,652
Debtors		1,771,991	437,719
Cash at Bank and in Hand		24,135	49,412
		<u>2,010,309</u>	<u>558,783</u>
Creditors – Amounts falling due within one year		<u>1,858,435</u>	<u>487,954</u>
Net Current Assets		<u>151,874</u>	<u>70,829</u>
Total Assets Less Current Liabilities		<u>360,032</u>	<u>125,301</u>
Creditors – Amounts falling due after more than one year			
	6	260,000	225,000
Capital And Reserves			
Called up share capital	5	100,000	100,000
Profit and loss account		32	(199,699)
		<u>100,032</u>	<u>(99,699)</u>
		<u>360,032</u>	<u>125,301</u>

These abbreviated accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

Signed on behalf of the board of directors on [10th November] 2005


Jan James Medforth
Director

The notes set out on pages 3 to 6 form part of these financial statements

UK Independent Medical Services Ltd **Notes to the Abbreviated Financial Statements** **For the year ended 31st March 2005**

1. Accounting Policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard for Smaller Entities (Effective June 2002).

The financial Statements present information about the company as an individual undertaking and not about its group.

The company and its subsidiary undertaking comprise a small - sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

b) Hire purchase and leasing commitments

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.

c) 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. Contributions are charged to the profit and loss account as they are incurred.

d) Depreciation

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rates and methods are as follows:

Computer Hardware	25% straight line method
Computer Software	25% straight line method
Fixtures and Fittings	25% straight line method
Office Equipment	25% straight line method
Tenants Improvements	25% straight line method

e) Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes all direct expenditure based on normal levels of activity.

f) Deferred taxation

Deferred tax 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.

g) Turnover

Income is recognised when, and to the extent that, the company obtains the right to consideration in exchange for its performance. VAT is not applicable to this type of industry.

The company engages in only one class of business and all sales were within the United Kingdom.

h) Investments

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

i) Intangible Assets - Research and Development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases the identifiable expenditure is deferred and amortised over the period during which the company is expected to benefit. This period is between 3 and 5 years. Provision is made for any impairment.

UK Independent Medical Services Ltd
Notes to the Abbreviated Financial Statements
For the year ended 31st March 2005

2. Intangible Fixed Assets

	Development
Cost or valuation:	£
At 1st April 2004	-
Additions	121,637
At 31st March 2005	<u>121,637</u>
Depreciation:	£
At 1st April 2004	-
Provided during the period	-
Disposals	-
At 31st March 2005	<u>-</u>
Net Book value	
At 31st March 2005	<u>121,637</u>
At 31st March 2004	<u>-</u>

Development costs have been capitalised in accordance with SSAP 13 "Accounting for research and development". The costs relate to the development of the Proclaim system. Development will be completed and enhancements expected to take effect from 1st October 2005, from which date the related costs will be written off over a period of 5 years.

3. Tangible Fixed Assets

	Computer Hardware	Computer Software	Fixtures & Office Equipment Fittings		Tenants Improvements	Total
Cost or valuation:	£	£	£	£	£	£
At 1st April 2004	35,594	22,709	9,018	-	790	68,111
Additions	17,164	14,970	9,860	12,338	-	54,332
As at 31st March 2005	<u>52,758</u>	<u>37,679</u>	<u>18,878</u>	<u>12,338</u>	<u>790</u>	<u>122,443</u>
Depreciation:	£	£	£	£	£	£
At 1st April 2004	6,959	5,040	1,575		65	13,639
Provided during the period	10,628	7,477	3,212	771	197	22,285
At 31st March 2005	<u>17,587</u>	<u>12,517</u>	<u>4,787</u>	<u>771</u>	<u>262</u>	<u>35,924</u>
Net Book value						
At 31st March 2005	<u>35,171</u>	<u>25,162</u>	<u>14,091</u>	<u>11,567</u>	<u>528</u>	<u>86,519</u>
At 31st March 2004	<u>28,635</u>	<u>17,669</u>	<u>7,443</u>	<u>-</u>	<u>725</u>	<u>54,472</u>

UK Independent Medical Services Ltd
Notes to the Abbreviated Financial Statements
For the year ended 31st March 2005

4. Fixed Asset Investments

2005
Shares in Group Undertaking

Cost and Net Book Value

£
2

At 31st March 2005

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.

Holdings of more than 20%

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

Subsidiary undertakings	Shares Held	
	Class	%
UK Legal Funding Solutions Limited	Ordinary	100

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

Capital and Reserves	Profit for the year
2	nil

5. Called Up Share Capital

Authorised

100,000 Ordinary Shares of £1 each £100,000

Allotted, called up and fully paid

100,000 Ordinary Shares of £1 each £100,000

6. Creditors: Amounts falling due after more than one year

	2005	2004
Bank Loan	£35,000	£0
Directors loans	£225,000	£225,000
	<u>£260,000</u>	<u>£225,000</u>

The directors regard their loans to the company as long term funding and do not intend to withdraw them in the foreseeable future. They have entered into a deed of subordination in respect of the loans the terms of which prevent them from withdrawing them, without the consent of the bank, until the company has repaid its invoice discounting liabilities.

UK Independent Medical Services Ltd
Notes to the Abbreviated Financial Statements (Cont ...)
For the year ended 31st March 2005

7. Ultimate Controlling Party

The ultimate controlling party is I J Medforth.

8. Related Party Transactions

Loans of £225,000 were owed by the company to the following related parties:

	2005	2004
	£	£
NS Consultancy & Marketing Limited	85,000	85,000
CLE Investments	85,000	85,000
I J Medforth	3,000	3,000
Redi 128 Ltd	52,000	52,000
	<u>225,000</u>	<u>225,000</u>

These loans are interest bearing and are subject to a deed of subordination such that the loans cannot be repaid without the consent of secured creditors.

Included within other debtors is an amount of £10,307 owed to the company from UK Legal Funding Solutions Limited, a wholly owned subsidiary.