Jigsaw Law Limited

Annual report and financial statements

Registered number 07200503

10 month period ended 31 December 2018

Jigsaw Law Limited

Company Information:

Directors:	S A Ellison (resigned 15 August 2018) P D Hurst C Lindley (resigned 15 August 2018) N J Ward (resigned 1 May 2019) D Laver (appointed 13 January 2020)
Company Secretary:	C E E Russell (appointed 24 May 2019)
Registered Number:	07200503
Registered Office:	DBH Pioneer House Pioneer Business Park North Road Ellesmere Port Merseyside CH65 1AD
Bankers:	National Westminster Bank plc 36 High Street Nantwich Cheshire CW5 5GA
Auditors:	KPMG LLP 1 St Peter's Square Manchester M2 3AE

Contents

Strategic report

The Company is a subsidiary undertaking of Jigsaw Law Topco Limited. Following the acquisition of Jigsaw Law Topco Limited on 15 August 2018 by Examworks UK Limited, the ultimate controlling party is now Gold Parent L.P., incorporated in the US by virtue of their shareholding in Examworks UK Limited. The Company is therefore a subsidiary undertaking of Examworks UK Limited, the top UK Group, and the results of the Company are now consolidated in this Group.

Despite the ongoing uncertainty in the personal injury market, specifically around legal reforms, the Company has had an improved period with turnover increasing by 9% and the gross margin improving by 6%. The cost base of the business is relatively fixed and therefore the improved margin has resulted in operating profit increasing significantly this year. On an annualised basis turnover has increased by 31%.

The continuing relationships with our existing clients and sources have been maintained and new clients and sources have been integrated into our business model. Our staff continue to play an important role in the growth and success of the Company. The total number of employees across the Company at 31 December 2018 is 56 (*28 February 2018 - 56*), all of whom meet the needs of our clients and deliver exceptional levels of service.

The profit after taxation, amounted to £898,000 (*28 February 2018 – £296,000*) which has been taken to reserves.

The Company's key performance indicators during the period were as follows:

	10 month period ended 31 December 2018 £'000	Year ended 28 February 2018 £'000
Turnover	**5,257**	4,812
Gross Profit	**3,255**	2,711
Gross Margin	**62%**	56%
Operating Profit	**1,164**	433

Principal risks and uncertainties

Industry risk

Whilst every effort is made to grow and develop our business, we face differing risks and uncertainties. Amongst those are continued competition, insurance industry protocols, legislation and the retention of our clients and sources. Industry risk is managed through regular risk reviews at board meetings.

Price risk, credit risk, liquidity risk and cash flow risk

The Company's principal financial instruments comprise bank balances, an intercompany loan, trade debtors and trade creditors. The main purpose of these instruments is to finance the operations of the business.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and the flexibility through the use of an intercompany loan at fixed rates of interest. All of the cash balances held by the Company are held in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Brexit risk

The directors have considered the impact of Brexit on interest rate risk. The Company's loan interest is fixed so any change in interest rates would not have a material impact on the Company's ability to continue trading. As 100% of the Company's revenue is generated in the UK and in Sterling, future potential EU tariffs and fluctuations in the exchange rate between Sterling and the Euro are not expected to directly affect the Company.

By order of the board

D Laver
Director
Date: 24 January 2020

Directors' report

The directors present their report and the financial statements for the 10 month period ended 31 December 2018. The comparative period is for the year ended 28 February 2018.

Principal activity

The principal activity of the Company during the period was the provision of legal services and claims management.

Results and dividends

The profit for the period after taxation, amounted to £898,000 (*28 February 2018 - £296,000*).

The directors have not recommended the payment of a dividend in the current period (*28 February 2018 - £nil*).

Directors

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

S A Ellison – resigned 15 August 2018

P D Hurst

C Lindley – resigned 15 August 2018

N J Ward – resigned 1 May 2019

D Laver – appointed 13 January 2020

Qualifying third party indemnity provisions

The directors are covered by third party indemnity insurance.

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.

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

D Laver
Director

DBH Pioneer House
Pioneer Business Park
North Road
Ellesmere Port
Merseyside
CH65 1AD

Date: 24 January 2020

Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

KPMG

Independent Auditor's report to the members of Jigsaw Law Limited

Opinion

We have audited the financial statements of Jigsaw Law Limited ("the company") for the period ended 31 December 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.
Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

KPMG

Independent Auditor's report to the members of Jigsaw Law Limited *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- *we have not received all the information and explanations we require for our audit*

We have nothing to report in these respects.

Director's responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Carla Kennaugh

Carla Kennaugh (*Senior Statutory Auditor*)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE
Date: 24 January 2020

Profit and Loss Account and Other Comprehensive Income

for the 10 month period ended 31 December 2018

	Note	10 month period ended 31 December 2018	Year ended 28 February 2018
		£'000	£'000
Turnover	*2*	5,257	4,812
Cost of sales		(2,002)	(2,101)
Gross profit		3,255	2,711
Administrative expenses	*3*	(2,091)	(2,278)
Operating profit		1,164	433
Interest payable and similar charges	*6*	(67)	(81)
Profit on ordinary activities before taxation		1,097	352
Tax on profit on ordinary activities	*7*	(199)	(56)
Profit for the period		898	296
Other Comprehensive Income		-	-
Total Comprehensive Income		898	296

All results above relate to continuing operations.

The notes on pages 11 to 19 form an integral part of these financial statements.

Balance Sheet
at 31 December 2018

	Note	31 December 2018 £'000	£'000	28 February 2018 £'000	£'000
Fixed assets					
Intangible assets					
Goodwill	*8*	-		4	
Other intangibles	*8*	16		18	
Tangible assets	*9*	11		17	
			27		39
Current assets					
Debtors (including £1,000 *(28 February 2018 - £1,000)* due after more than one year)	*10*	10,573		9,304	
Cash at bank and in hand		74		-	
		10,647		9,304	
Creditors: amounts falling due within one year	*11*	(5,518)		(5,178)	
Net current assets			5,129		4,126
Total assets less current liabilities			5,156		4,165
Creditors: amounts falling due after more than one year	*12*	(1,960)		(1,867)	
Provisions for liabilities					
Deferred tax liability	*13*	-		-	
			(1,960)		(1,867)
Net assets			3,196		2,298
Capital and reserves					
Called up share capital			-		-
Share premium account			66		66
Profit and loss account			3,130		2,232
Shareholders' funds			3,196		2,298

The notes on pages 11 to 19 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 24 January 2020 and were signed on its behalf by:

D Laver

D Laver
Director
Company registered number: 07200503

Statement of Changes in Equity

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 March 2017	-	66	1,936	2,002
Total comprehensive income for the period				
Profit for the period	-	-	296	296
Balance at 28 February 2018 and 1 March 2018	-	66	2,232	2,298
Total comprehensive income for the period				
Profit for the period	-	-	898	898
Balance at 31 December 2018	-	66	3,130	3,196

The 100 £1 A ordinary shares, 60 £1 B ordinary shares and 10 £1 C ordinary shares in issue have full voting rights, rights to dividends declared on that class of share and rank pari passu. On return of capital the A ordinary shares shall be distributed to before the B and C ordinary shares.

The notes on pages 11 to 19 form an integral part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Jigsaw Law Limited (the "Company") is a private company limited by shares incorporated in England. The registered office is DBH Pioneer House, Pioneer Business Park, North Road, Ellesmere Port, Merseyside, CH65 1AD.

The Company's principal activities and nature of its operations are disclosed in the Directors' report.

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted have been consistently applied and are set out below.

1.1 Going concern

As discussed in the Strategic report, the Company is a subsidiary undertaking of Examworks UK Limited, the top UK Group, and acts as an operating subsidiary of the Group. Jigsaw Law Limited financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the reasons outlined below.

In determining whether the Company's financial statements for the period ended 31 December 2018 can be prepared on a going concern basis, the directors considered all factors likely to affect their future development, performance and financial position, including cash flows, liquidity position and borrowing facilities and the risks and uncertainties relating to its business activities in the current economic climate.

The directors have prepared the Company's trading and cash flow forecasts for the period to 31 January 2021 from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period. The wider Examworks UK Group holds a secured invoice discounting facility. In the event the invoice discounting facility was recalled they forecast to repay through funding from their ultimate parent Examworks Group Inc.

Consequently the directors have formed a judgement that there is a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.2 Basic financial instruments

Trade debtors and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Notes *(continued)*

1 Accounting policies *(continued)*

1.3 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account at rates calculated to write off the cost of fixed assets, less their estimated residual value, over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Office equipment 4-5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.4 Intangible assets and goodwill

Goodwill
Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or a group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Other intangible assets

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Software development costs 4 years

The basis for choosing these useful lives is economic benefits.

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 5 years

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

1.5 Turnover

Turnover comprises revenue recognised by the Company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts.

The revenue recognised is measured by reference to the amounts likely to be chargeable to clients, less a suitable allowance to recognise the uncertainties remaining in the completion of the obligations.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Expenses

Operating lease

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Current tax is expected tax payable on the taxable income for the year, using tax rates in force for the year end, and any adjustment to tax payable in respect of previous years.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

1.8 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.9 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below.

Determining the amounts to be recognised in revenue, measured by the amount likely to be chargeable to clients, less a suitable allowance to recognise the uncertainties remaining in the completion of the obligations is performed by qualified solicitors.

Notes *(continued)*

2 Turnover

	31 December 2018 £'000	28 February 2018 £'000
Sale of services	5,257	4,812

Turnover is all derived from the provision of legal services and claims management and is all in the UK.

3 Expenses and auditor's remuneration

Included in profit are the following:

	31 December 2018 £'000	28 February 2018 £'000
Depreciation of owned tangible assets	4	10
Depreciation of tangible assets held under finance leases	4	48
Amortisation of goodwill	4	57
Amortisation of software development costs	10	16
Operating lease rentals:		
- other operating leases	103	88
- vehicle leasing	3	3
Audit of financial statements of the Company	5	2
Other assurance services	5	5
Taxation compliance services	1	1

4 *Staff numbers and costs*

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

	Number of employees 31 December 2018	28 February 2018
Administration	54	54
Management	2	2
	56	56

The aggregate payroll costs of these persons were as follows:

	31 December 2018 £'000	28 February 2018 £'000
Wages and salaries	1,374	1,402
Social security costs	115	154
Pensions	13	9
	1,502	1,565

Notes *(continued)*

5 Director's remuneration

	31 December 2018 £'000	28 February 2018 £'000
Directors' remuneration	436	943
Company pension contributions to defined contribution schemes	1	1
	437	944

Retirement benefits are accruing to the following number of directors under:

	Number of directors 31 December 2018	28 February 2018
Defined contribution schemes	2	2

The aggregate remuneration of the highest paid director was £145,000 (*28 February 2018 - £322,000*).

6 Interest payable and similar charges

	31 December 2018 £'000	28 February 2018 £'000
Amounts owed to group undertakings	67	81
Total interest payable and similar charges	67	81

7 Taxation

Total tax expense recognised in the profit and loss account

	31 December 2018 £'000	31 December 2018 £'000	28 February 2018 £'000	28 February 2018 £'000
Current tax				
Current tax on profit for the period		200		68
Adjustments in respect of prior periods		(1)		-
Total current tax		199		68
Deferred tax (see note 13)				
Origination and reversal of timing differences	(1)		(14)	
Adjustments for prior periods	1		2	
		-		(12)
Total tax		199		56

Notes *(continued)*

7 Taxation *(continued)*

Reconciliation of effective tax rate

	31 December 2018 £'000	28 February 2018 £'000
Profit for the period	898	296
Total tax expense	199	56
Profit on ordinary activities before taxation	1,097	352
Tax using the UK corporation tax rate of 19.00% *(28 February 2018 - 19.08%)*	208	67
Non-deductible expenses	2	1
Group relief not paid for	(10)	-
Adjustments for prior periods	-	2
Deferred tax movements on accelerated capital allowances	(1)	(14)
Total tax expense included in profit or loss	199	56

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. The deferred tax liability as at 31 December 2018 has been calculated based on these rates, at 17%.

8 Intangible assets and goodwill

	Goodwill £'000	Software development £'000	Total £'000
Cost			
Balance at 1 March 2018	284	105	389
Additions	-	8	8
Balance at 31 December 2018	284	113	397
Amortisation			
Balance at 1 March 2018	280	87	367
Amortisation for the period	4	10	14
Balance at 31 December 2018	284	97	381
Net book value			
At 28 February 2018	4	18	22
At 31 December 2018	**-**	**16**	**16**

Capitalised software development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the condition requiring them to be treated as an asset in accordance with FRS 102 Section 18.

Notes *(continued)*

9 Tangible fixed assets

	Office equipment £'000
Cost	
Balance at 1 March 2018	141
Additions	2
Balance at 31 December 2018	143
Depreciation and impairment	
Balance at 1 March 2018	124
Depreciation charge for the period	8
Balance at 31 December 2018	132
Net book value	
At 28 February 2018	17
At 31 December 2018	**11**

Included within the net book value of office equipment is £nil (*28 February 2018 - £4,000*) in respect of assets held under finance leases or hire purchase contracts.

10 Debtors

	31 December 2018 £'000	28 February 2018 £'000
Trade debtors	4,799	5,045
Corporation tax	-	40
Work in progress	5,252	4,129
Amounts owed by group undertakings	10	10
Other debtors	14	14
Prepayments and accrued income	497	65
Deferred tax asset	1	1
	10,573	9,304
Due within one year	**10,572**	9,303
Due after more than one year	**1**	1
	10,573	9,304

Amounts owed by group undertakings are unsecured, non-interest bearing and payable on demand.

Notes *(continued)*

11 Creditors: amounts falling due within one year

	31 December 2018 £'000	28 February 2018 £'000
Overdraft	-	1
Trade creditors	4,756	4,979
Corporation tax	200	-
Taxation and social security	122	109
Accruals and deferred income	440	89
	5,518	5,178

12 Creditors: amounts falling after more than one year

	31 December 2018 £'000	28 February 2018 £'000
Amounts owed to group undertakings	1,960	1,867
	1,960	1,867

Amounts owed to group undertakings are unsecured, interest bearing, and payable in more than one year.

13 Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	31 December 2018 £'000	28 February 2018 £'000
At the beginning of the period	(1)	11
Credit to the profit and loss account	-	(12)
	(1)	(1)

	31 December 2018 £'000	28 February 2018 £'000
Accelerated capital allowances	(1)	(1)
Net assets	(1)	(1)

Notes *(continued)*

14 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	31 December 2018 £'000	28 February 2018 £'000
Less than one year	35	94
Between one and five years	30	9
	65	103

15 Contingencies

The Company is party to a cross guarantee in respect of the Group's banking facilities. The aggregate amount of Group net borrowing subject to this cross guarantee was £nil *(28 February 2018 - £nil)*.

16 Related parties

In accordance with FRS 102 Section 33.1A, transactions between wholly owned subsidiaries or with the parent are exempt from disclosure.

17 Ultimate parent Company and parent Company of larger group

The immediate parent company is Jigsaw Law Topco Limited.

The Company is a subsidiary undertaking of Jigsaw Law Topco Limited. Following the acquisition of Jigsaw Law Topco Limited by Examworks UK Limited, the ultimate controlling party is now Gold Parent L.P., incorporated in the US by virtue of their shareholding in Examworks UK Limited.

The smallest group in which the results of the Company are consolidated is that headed by ExamWorks UK Limited, incorporated in England. The registered office of which is Premex House, Futura Park, Horwich, Bolton, BL6 6SX.

The consolidated financial statements of these groups are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.