

REGISTERED NUMBER: 01325167 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014
FOR
RAC MECHANICAL INSURANCE SERVICES
LIMITED**

TUESDAY



L3HI6SRK

L13

30/09/2014

#405

COMPANIES HOUSE

**RAC MECHANICAL INSURANCE SERVICES
LIMITED (REGISTERED NUMBER: 01325167)**

**CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 March 2014**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Profit and Loss Account	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Cash Flow Statement	10
Notes to the Financial Statements	11

**RAC MECHANICAL INSURANCE SERVICES
LIMITED**

COMPANY INFORMATION
for the year ended 31 March 2014

DIRECTORS:

D L Pinkney
F D Pinkney
P N Pinkney
D Antcliff
S J Tennyson

SECRETARY:

D Antcliff

REGISTERED OFFICE:

Omnia One
Queen Street
Sheffield
South Yorkshire
S1 2DU

REGISTERED NUMBER:

01325167 (England and Wales)

AUDITORS:

C J Woodhead & Co. Ltd
Chartered Accountants and
Statutory Auditors
158 Hemper Lane
Sheffield
South Yorkshire
S8 7FE

**RAC MECHANICAL INSURANCE SERVICES
LIMITED (REGISTERED NUMBER: 01325167)**

**STRATEGIC REPORT
for the year ended 31 March 2014**

The directors present their strategic report for the year ended 31 March 2014.

The principal activity of the company in the year under review was that of insurance brokers, including the overall administration on behalf of insurers.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

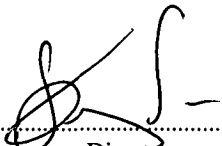
The company's sole activity has been the sale of mechanical breakdown insurance and associated motor insurance products, using the brand RAC Warranty, under licence from RAC Motoring Services. The right to use this brand was surrendered by agreement on 31 December 2006. Consequently, there was no new business written after that date, although the company had an ongoing liability until 31 March 2014 to administer claims made against insurance policies incepted prior to 31 December 2006.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the company during this period has been its exposure to policy claims and cancellations. This risk ended with the expiration of the last remaining policies during the year under review, at which time the company ceased to trade.

The directors are satisfied with the performance of the business and the results for the period under review.

ON BEHALF OF THE BOARD:


.....
S J Tennyson - Director

Date: 30th Sept 2014

**RAC MECHANICAL INSURANCE SERVICES
LIMITED (REGISTERED NUMBER: 01325167)**

**REPORT OF THE DIRECTORS
for the year ended 31 March 2014**

The directors present their report with the financial statements of the company for the year ended 31 March 2014.

CESSATION OF TRADING

The company ceased trading on 31 March 2014.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2013 to the date of this report.

D L Pinkney
F D Pinkney
P N Pinkney
D Antcliff
S J Tennyson

FINANCIAL INSTRUMENTS

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit, and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of 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 accounting estimates that are reasonable and prudent;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**RAC MECHANICAL INSURANCE SERVICES
LIMITED (REGISTERED NUMBER: 01325167)**

**REPORT OF THE DIRECTORS
for the year ended 31 March 2014**

AUDITORS

The auditors, C J Woodhead & Co. Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
D Antcliff - Secretary

Date: 30/09/2014

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RAC MECHANICAL INSURANCE SERVICES
LIMITED**

We have audited the financial statements of RAC Mechanical Insurance Services Limited for the year ended 31 March 2014 on pages seven to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom 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

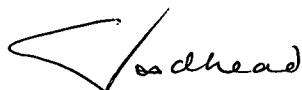
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RAC MECHANICAL INSURANCE SERVICES
LIMITED**

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 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.



Christopher Woodhead F.C.A. (Senior Statutory Auditor)
for and on behalf of C J Woodhead & Co. Ltd
Chartered Accountants and
Statutory Auditors
158 Hemper Lane
Sheffield
South Yorkshire
S8 7FE

Date: 30/9/14

**RAC MECHANICAL INSURANCE SERVICES
LIMITED (REGISTERED NUMBER: 01325167)**

**PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2014**

	Notes	2014 £	2013 £
TURNOVER		(856)	-
Administrative expenses		<u>183,287</u>	<u>(713)</u>
OPERATING PROFIT/(LOSS) and PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	182,431	(713)
Tax on profit/(loss) on ordinary activities	4	<u>(1,115)</u>	<u>(358)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>181,316</u>	<u>(1,071)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years, although no new business has been written by the company since December 2006.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.


The notes form part of these financial statements

**RAC MECHANICAL INSURANCE SERVICES
LIMITED (REGISTERED NUMBER: 01325167)**

**BALANCE SHEET
31 March 2014**

	Notes	2014 £	2013 £
CURRENT ASSETS			
Debtors	5	500	821,659
Cash at bank		-	24
		<u>500</u>	<u>821,683</u>
CREDITORS			
Amounts falling due within one year	6	(500)	(500)
		<u>-</u>	<u>821,183</u>
NET CURRENT ASSETS			
		<u>-</u>	<u>821,183</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>-</u>	<u>821,183</u>
CAPITAL AND RESERVES			
Called up share capital	8	1	1,002,500
Profit and loss account	9	(1)	(181,317)
		<u>-</u>	<u>821,183</u>
SHAREHOLDERS' FUNDS	13	<u>-</u>	<u>821,183</u>

The financial statements were approved by the Board of Directors on 30/09/2014 and were signed on its behalf by:


.....
D Antcliff - Director

The notes form part of these financial statements

**RAC MECHANICAL INSURANCE SERVICES
LIMITED (REGISTERED NUMBER: 01325167)**

**CASH FLOW STATEMENT
for the year ended 31 March 2014**

	Notes	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	1	<u>182,878</u>	<u>(60,748)</u>
		182,878	(60,748)
Financing	2	<u>(182,902)</u>	<u>46,237</u>
Decrease in cash in the period		<u>(24)</u>	<u>(14,511)</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		<u>(24)</u>	<u>(14,511)</u>
Change in net funds resulting from cash flows		<u>(24)</u>	<u>(14,511)</u>
Movement in net funds in the period		<u>(24)</u>	<u>(14,511)</u>
Net funds at 1 April		<u>24</u>	<u>14,535</u>
Net funds at 31 March		<u>-</u>	<u>24</u>

The notes form part of these financial statements

**RAC MECHANICAL INSURANCE SERVICES
LIMITED (REGISTERED NUMBER: 01325167)**

**NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 March 2014**

**1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW)
FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating profit/(loss)	182,431	(713)
Decrease/(increase) in debtors	447	(469)
Decrease in creditors	-	(59,566)
Net cash inflow/(outflow) from operating activities	182,878	(60,748)

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2014 £	2013 £
Financing		
Loans with group companies	819,597	46,237
Share issue	(1,002,499)	-
Net cash (outflow)/inflow from financing	(182,902)	46,237

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/13 £	Cash flow £	At 31/3/14 £
Net cash:			
Cash at bank	24	(24)	-
	24	(24)	-
Total	24	(24)	-

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents insurance commission net of underwriting, third party commission and claims administration provisions. Turnover is recognised on the receipt of applications for cover for customers.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. STAFF COSTS

There were no staff costs for the year ended 31 March 2014 nor for the year ended 31 March 2013.

3. OPERATING PROFIT/(LOSS)

The operating profit (2013 - operating loss) is stated after charging:

	2014	2013
	£	£
Auditors' remuneration	<u><u>500</u></u>	<u><u>500</u></u>
Directors' remuneration	<u><u>-</u></u>	<u><u>-</u></u>

4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2014	2013
	£	£
Deferred tax:		
Accelerated capital allowances	<u><u>1,115</u></u>	<u><u>358</u></u>
Tax on profit/(loss) on ordinary activities	<u><u>1,115</u></u>	<u><u>358</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2014**

4. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Profit/(loss) on ordinary activities before tax	<u>182,431</u>	<u>(713)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2013 - 24%)	41,959	(171)
Effects of:		
Income not taxable for tax purposes	(42,321)	-
Capital allowances in excess of depreciation	(1,069)	(245)
Utilisation of tax losses	<u>1,431</u>	<u>416</u>
Current tax charge	<u>-</u>	<u>-</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Amounts owed by group undertakings	478	820,075
Other debtors	22	254
Underwriters schemes	-	215
Deferred tax asset	-	1,115
	<u>500</u>	<u>821,659</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Accruals & deferred income	<u>500</u>	<u>500</u>

7. DEFERRED TAX

	£
Balance at 1 April 2013	(1,115)
Charge to profit and loss account during year	<u>1,115</u>
Balance at 31 March 2014	<u>-</u>

**RAC MECHANICAL INSURANCE SERVICES
LIMITED (REGISTERED NUMBER: 01325167)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2014**

8. CALLED UP SHARE CAPITAL

Allotted and issued:		Nominal value:	2014	2013
Number:	Class:		£	£
2 (2013 - 2,005,000)	Ordinary	50p	1	1,002,500

9. RESERVES

	Profit and loss account £
At 1 April 2013	(181,317)
Profit for the year	181,316
At 31 March 2014	(1)

10. ULTIMATE PARENT COMPANY

Car Protect Holdings Limited (incorporated in Gibraltar) is regarded by the directors as being the company's ultimate parent company.

11. RELATED PARTY DISCLOSURES

Motorway Direct Plc
Parent company

During the year Motorway Direct Plc's debt to RAC Mechanical Insurance Services Limited was reduced by £1,489 in respect of payments made and liabilities guaranteed on behalf of RAC Mechanical Insurance Services Limited, and by £1,002,499 in respect of a reduction in the issued share capital of RAC Mechanical Insurance Services Limited, which was approved by the directors on 11 November 2013.

A balance of £184,004 repayable by RAC Mechanical Insurance Services Ltd was written-off by Motorway Direct Plc on the grounds of non-recoverability.

	2014	2013
	£	£
Amount due from related party at the balance sheet date	342	819,984

**RAC MECHANICAL INSURANCE SERVICES
LIMITED (REGISTERED NUMBER: 01325167)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2014**

11. RELATED PARTY DISCLOSURES - continued

AA Mechanical Insurance Services Limited
Fellow subsidiary of Motorway Direct Plc

Loans made to AA Mechanical Insurance Services Limited in previous accounting periods remained outstanding at the end of the financial year.

	2014	2013
	£	£
Amount due from related party at the balance sheet date	<u>91</u>	<u>91</u>

Car Protect Limited
Fellow subsidiary of Motorway Direct Plc

During the year the company paid net costs on behalf of Car Protect Limited.

	2014	2013
	£	£
Amount due from related party at the balance sheet date	<u>45</u>	<u>-</u>

CHF Accountancy Limited
A company in which Mr D Antcliff is a director and shareholder

During the year the company was invoiced £98 excluding VAT for company secretarial services by CHF Accountancy Limited.

12. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Board of Directors of Motorway Direct Plc, a company registered in England and Wales.

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Profit/(loss) for the financial year	181,316	(1,071)
Payments to acquire own shares	(1,002,499)	-
Net reduction of shareholders' funds	<u>(821,183)</u>	<u>(1,071)</u>
Opening shareholders' funds	821,183	822,254
Closing shareholders' funds	<u>-</u>	<u>821,183</u>