

Registered number  
02609837

Network Services (Nationwide) Limited

Annual Report and Accounts

31 December 2017



**Network Services (Nationwide) Limited**  
**Report and Accounts**  
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**Network Services (Nationwide) Limited  
Company Information**

**Directors**

M A Wilmshurst  
D R Pugh

**Auditor**

KPMG LLP  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

**Bankers**

Barclays Bank plc  
4th Floor  
Bridgewater House  
Counterslip  
Bristol BS1 6BX

Investec Bank plc  
Gresham Street  
London  
EC2V 7QP

**Registered office**

17A Thorney Leys Park  
Witney  
Oxon  
OX28 4GE

**Registered number**

02609837

**Network Services (Nationwide) Limited****Registered number: 02609837****Strategic Report**

The directors present their report and accounts for the year ended 31 December 2017.

**Principal activities and review of the business**

The principal activity of the company is accident administration management services for insurance companies and fleets. Operating a 24 hour call centre facility, the business is responsible for a number of services. It receives first notification of loss on vehicles, deploying vehicle damage work to another group company, Nationwide Crash Repair Centres Limited (NCRC) and an approved network of repairers. The company also organises courtesy and hire vehicles, provides engineering services and facilitates salvage. The company's engineering team brings additional value to its parent company Nationwide Accident Repair Services Limited, balancing deployments between NCRC and the approved network of repairers.

**Results and dividends**

The company's turnover amounted to £50,012,789 (2016: £50,957,519 ) and the profit before taxation amounted to £1,618,523 (2016: £2,434,006). After a tax charge of £6,875 (2016: credit of £148,208) there remains a profit of £1,611,648 (2016: £2,582,214). The directors do not recommend payment of a dividend (2016: £nil). The retained profit for the year transferred to reserves was £1,611,648 (2016: £2,582,214).

The Company has positive net assets and increased shareholders' funds in the year, hence is in a strong financial position.

**Principal risks and uncertainties**

The directors regularly review principal risks and uncertainties that affect the group. In addition to credit risk and liquidity risk which are detailed in note 16, the directors recognise that there are areas of key risk and uncertainty specific to the company.

<b>Risk Area and Potential Impact</b>	<b>Company Strategy</b>	<b>Mitigation</b>
<b>STRATEGIC AND OPERATIONAL</b>		
Loss of key management and staff could potentially lead to a lack of necessary expertise and continuity.	The company places significant emphasis on staff retention.	The company maintains short lines of communication to senior managers and directors. There are structured bonus and commission schemes in place to reward and retain key staff. Management consider teamwork, enthusiasm and innovation to be important tools for staff to develop their career paths within the company.
Loss of Business Continuity. Disruption to IT systems that impact on bodyshop activities could potentially impact on finances and operations.	There is a formal plan in place to redirect work to an alternative site, in addition to a comprehensive disaster recovery plan.	The group has previously implemented its business continuity plan when it suffered two fires at bodyshops in 2009. There was little or no disruption to operations. There is a formal IT Disaster Recovery Plan and procedures for Data Security are regularly tested.
<b>FINANCIAL AND COMPLIANCE</b>		
A failure to maintain sufficient internal and financial controls could potentially lead to incorrect information being used to manage the business.	The company seeks to ensure that it has good financial controls at all times within its bodyshop locations.	The company maintains a financial control framework which is reviewed and audited. Every bodyshop is audited annually.

**Network Services (Nationwide) Limited**

Registered number: 02609837

**Strategic Report****Summary of key performance indicators**

The directors have monitored the progress of the overall company strategy and the individual strategic elements by reference to certain financial and non-financial key performance indicators.

Key Performance Indicator	2017	2016	Method of Calculation
Turnover Split Insurance Fleet	78.6% 21.4%	85.1% 14.9%	Turnover is reviewed by all business units on a monthly basis in order that the operational team can address work provision or operating practices respectively.
Gross profit margin (%)	11.4%	11.9%	Gross profit margin is the ratio of gross profit to sales revenue expressed as a percentage.

**Financial instrument risk**

The company's financial risk management objectives and policies are detailed in note 17 to the accounts.



Michael Wilmshurst  
Director

27/04/2018

## **Network Services (Nationwide) Limited**

**Registered number: 02609837**

### **Directors' Report**

The directors present their report and accounts for the year ended 31 December 2017.

#### **Directors**

The following persons served as directors during the year:

M A Wilmshurst

D R Pugh

#### **Going Concern**

Note 16 to the financial statements includes the company's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit risk and liquidity risk. Based on their review of the above, and consideration of the long term contracts with some of the main insurance companies and key suppliers, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. 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 annual financial statements.

#### **Political Donations**

The company did not make any donations to political parties during the year (2016: nil).

#### **Employment of disabled persons**

The company gives full and fair consideration to applications for employment received from disabled persons, having regard to their particular aptitudes and abilities, and wherever possible the company continues the employment of, and arranges for appropriate training of, employees who become disabled persons while employed by the company. Disabled employees are treated no differently from any other employees as regards training, career development and promotion opportunities. The company operated this policy throughout the year.

#### **Employee involvement**

Effective employee relations are seen as key drivers in moving the company forward. Consequently, Human Resources, Quality, Health and Safety and Training functions need to establish good communications with individual sites and are therefore organised on a divisional basis. This structure enables staff to obtain the help and guidance they may need and keeps them informed of, and effectively involved in, the development of the Company's business. Regular review meetings are held at local, regional and Company level to ensure that all employees are kept informed of the Company's objectives. Progress towards those objectives is measured and reported back to individual sites. The Chief Executive holds regular workshops with selected, individual local managers to reinforce the Company's objectives and obtain feedback from local management.

#### **Financial instrument risk**

The Company's financial risk management objectives and policies are detailed in note 16 to the accounts.

#### **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.

#### **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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 27 April 2018 and signed on its behalf.



Michael Wilmshurst  
Director

**Network Services (Nationwide) Limited**

**Registered number: 02609837**

**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
- 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

This report was approved by the board on 27 April 2018 and signed on its behalf.



Michael Wilmshurst

Director

**Report of the Independent Auditor  
to the members of Network Services (Nationwide) Limited**

We have audited the financial statements of Network Services (Nationwide) Limited "the company" for the year ended 31 December 2017 which comprise the Profit and loss account and Other Comprehensive Income, the Balance Sheet, the 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 2017 and of its profit for the year 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.

**Going Concern**

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

**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.

**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.

**Directors' responsibilities**

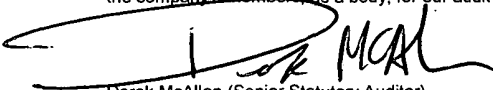
As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements 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.

**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.



Derek McAllan (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

30 April 2018



**Network Services (Nationwide) Limited**  
**Profit and Loss Account & Other Comprehensive Income**  
**for the year ended 31 December 2017:**

	Notes	2017 £	2016 £
Turnover	2	50,012,789	50,957,519
Cost of sales		(44,335,651)	(44,876,610)
<b>Gross profit</b>		<b>5,677,138</b>	<b>6,080,909</b>
Distribution costs		(3,250,167)	(3,003,205)
Administrative expenses		(808,603)	(643,495)
Operating profit		<b>1,618,368</b>	<b>2,434,209</b>
Interest receivable / (payable)	3	155	(203)
<b>Profit on ordinary activities before taxation</b>		<b>1,618,523</b>	<b>2,434,006</b>
Tax on profit on ordinary activities	7	(6,875)	148,208
<b>Profit for the financial year and total comprehensive income</b>	13	<b>1,611,648</b>	<b>2,582,214</b>


All of the company's activities were classified as continuing

There were no recognised gains or losses other than the profit attributable to the shareholder of the company of £1,611,648 in the year ended 31 December 2017 (2016: £2,582,214).

The accompanying notes form an integral part of these financial statements.

**Network Services (Nationwide) Limited**  
**Balance Sheet**  
**as at 31 December 2017**

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	8	<u>82,823</u>	<u>103,867</u>
		82,823	103,867
<b>Current assets</b>			
Debtors	9	10,202,931	15,392,593
Deferred taxation	11	33,074	39,949
Cash at bank and in hand		<u>12,437,620</u>	<u>5,749,012</u>
		22,673,625	21,181,554
<b>Creditors: amounts falling due within one year</b>	10	(13,057,912)	(13,198,533)
<b>Net current assets</b>		<u>9,615,713</u>	<u>7,983,021</u>
<b>Total assets less current liabilities</b>		<u>9,698,536</u>	<u>8,086,888</u>
<b>Net assets</b>		<u>9,698,536</u>	<u>8,086,888</u>
<b>Capital and reserves</b>			
Called up share capital	12	3,000,000	3,000,000
Profit and loss account	13	6,698,536	5,086,888
<b>Shareholders' funds</b>	14	<u>9,698,536</u>	<u>8,086,888</u>



Michael Wilmshurst  
Director

Approved by the board on 27 April 2018  
Company Number: 2609837

The accompanying notes form an integral part of these financial statements.

**Network Services (Nationwide)-Limited**  
**Statement of Changes in Equity**  
**for the year ended 31 December 2017**

	<b>Called up Share Capital</b>	<b>Profit and loss account</b>	<b>Total Equity</b>
	£	£	£
<b>Balance at 1 January 2016</b>	<b>3,000,000</b>	<b>2,504,674</b>	<b>5,504,674</b>
<b>Total comprehensive income for the period</b>			
Profit for the year	-	2,582,214	2,582,214
Other comprehensive income	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>2,582,214</b>	<b>2,582,214</b>
<b>Balance at 31 December 2016</b>	<b>3,000,000</b>	<b>5,086,888</b>	<b>8,086,888</b>
<b>Balance at 1 January 2017</b>	<b>3,000,000</b>	<b>5,086,888</b>	<b>8,086,888</b>
<b>Total comprehensive income for the period</b>			
Profit for the year	-	1,611,648	1,611,648
Other comprehensive income	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,611,648</b>	<b>1,611,648</b>
<b>Balance at 31 December 2017</b>	<b>3,000,000</b>	<b>6,698,536</b>	<b>9,698,536</b>

The accompanying notes form an integral part of these financial statements.

**Network Services (Nationwide) Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

**1 Accounting policies**

***Basis of preparation***

Network Services (Nationwide) Limited (the "Company") is a private company limited by shares and incorporated, domiciled and registered in the UK. The registered address is 17a Thorney Leys Park, Witney, Oxon, OX28 4GE.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. Amounts are presented in £ thousands.

The Company's parent undertaking, Nationwide Accident Repair Services Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Nationwide Accident Repair Services Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from 17a Thorney Leys Park, Witney, Oxfordshire, OX28 4GE. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Nationwide Accident Repair Services Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 17.

***Measurement convention***

The financial statements are prepared on the historical cost basis.

***Turnover***

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers. For vehicle repair revenues, the company recognises revenue and invoices the customer (insurance company) for the repair work upon completion of the repair and acceptance by that customer. Claims management fees are also recognised and invoiced to the customer upon completion of this service and acceptance by that customer. In addition to vehicle repair and claims management fee revenues, the company recognises a referral fee either through the Nationwide Crash Repair Centres Limited bodyshops or third party approved bodyshops, who both invoice the company for the repair work, once the job has been completed. On receipt of this purchase invoice, the company invoices the customer (insurance company) for the appropriate referral fees to the bodyshop by way of debit note. This is a fixed fee based upon the number of jobs invoiced in a particular accounting period with no contingency.

**Network Services (Nationwide) Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

**1 Accounting policies (continued)**

***Going concern***

The company's business activities, together with the factors likely to effect its future development, performance and position are set out in the Strategic Report on page 2. In addition, note 16 to the financial statements includes the company's risk management objectives and policies. The company has sufficient financial resources for the directors to believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. 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 annual financial statements.

***Basic financial instruments***

***Trade and other debtors / creditors***

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

***Depreciation***

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings. Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at note 15 below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired. Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Motor vehicles	25%
Plant and equipment	10% to 33%
Fixtures and fittings	10% to 25%
Leasehold improvements	Over term of lease

**Network Services (Nationwide) Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

**1 Accounting policies (continued)**

***Foreign currencies***

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

***Impairment excluding stocks, and deferred tax assets***

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

***Expenses***

***Operating leases***

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred.

***Interest receivable***

Other interest receivable and similar income include interest receivable on funds invested.

Interest income is recognised in profit or loss as it accrued, using the effective interest method.

***Taxation***

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

***Employee benefits***

***Defined contribution plans and other long term employee benefits***

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.

***Related parties***

**Network Services (Nationwide) Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

The company has taken advantage of the provisions of FRS 102 section 33.1A. It does not disclose transactions entered into between two or more members of a Group where both transacting parties are wholly owned. The smallest Group into which the Company is consolidated is that of Nationwide Accident Repair Services Limited, the largest is that of Canaveral Holdco Limited.

**Network Services (Nationwide) Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

**2 Turnover**

The revenue derived from the three main areas of business is summarised as follows:

By activity	2017	2016
	£	£
Vehicle repair	45,362,372	46,675,928
Referral Fees	4,294,173	3,737,970
Claims Management	356,244	543,621
Total Revenue	<u>50,012,789</u>	<u>50,957,519</u>

All turnover is derived from the United Kingdom

**3 Interest receivable / (payable)**

	2017	2016
	£	£
Bank interest	<u>155</u>	<u>(203)</u>

**4 Expenses and Auditor's remuneration**

	2017	2016
	£	£
Included in the profit are the following:		
Depreciation of owned fixed assets	21,044	21,260
Operating lease rentals - vehicles	547,646	701,224
Operating lease rentals - land buildings	177,805	153,217
Auditor's remuneration for audit services	<u>10,000</u>	<u>10,000</u>

**5 Staff numbers and costs**

	2017	2016
	No.	No.

The average number of persons employed by the Company during the year, analysed by category, was as follows:

Administration	149	127
	<u>149</u>	<u>127</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	2,316,173	2,482,665
Social security costs	168,449	179,969
Other pension costs	108,648	111,946
	<u>2,593,270</u>	<u>2,774,580</u>



**Network Services (Nationwide) Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

**6 Directors' remuneration**

The emoluments of the directors, who are also directors of the Group, are apportioned within the subsidiary accounts based upon that Company's contribution to revenue and the respective time involved managing that entity.

	2017 £	2016 £
Directors' remuneration	72,683	69,907
Company's contribution to money purchase pension plans	2,848	5,390
	<u>75,531</u>	<u>75,297</u>

**7 Taxation**

**Analysis of charge in period**

Current tax:

UK corporation tax on profits of the period

Adjustments in respect of previous periods

	2017 £	2016 £
	-	-
	-	(159,796)
	<u>-</u>	<u>(159,796)</u>

Deferred tax:

Origination and reversal of timing differences

Effect of rate change

	2017 £	2016 £
	6,875	10,264
	-	1,324
	<u>6,875</u>	<u>11,588</u>

Tax on profit on ordinary activities

	2017 £	2016 £
	<u>6,875</u>	<u>(148,208)</u>

**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>1,618,523</u>	<u>2,434,006</u>
Standard rate of corporation tax in the UK	19.25%	20.00%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	311,510	486,801
Effects of:		
Expenses not deductible for tax purposes	2,136	3,018
Adjustments to tax charge in respect of previous periods	-	(159,796)
Group relief received for no payment	(305,863)	(479,555)
Difference between current and deferred tax rates	(908)	-
Effect of rate change	-	1,324
Total tax charge/(credit) for period	<u>6,875</u>	<u>(148,208)</u>

Reductions in the UK corporation tax rate from 20% 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 asset at 31 December 2017 has been calculated based on these rates.

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**8 Tangible fixed assets**

	Leasehold improvements £	Vehicles, plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2017	307,510	85,936	393,446
Additions	-	-	-
Disposals	-	-	-
At 31 December 2017	<u>307,510</u>	<u>85,936</u>	<u>393,446</u>
<b>Depreciation</b>			
At 1 January 2017	(270,455)	(19,124)	(289,579)
Charge for the year	(10,353)	(10,691)	(21,044)
At 31 December 2017	<u>(280,808)</u>	<u>(29,815)</u>	<u>(310,623)</u>
<b>Net book value</b>			
At 31 December 2017	<u>26,702</u>	<u>56,121</u>	<u>82,823</u>
At 31 December 2016	<u>37,055</u>	<u>66,812</u>	<u>103,867</u>

**9 Debtors**

	2017 £	2016 £
Trade debtors	3,892,914	3,232,623
Amounts owed by group undertakings	5,458,512	8,278,109
Prepayments and accrued income	851,505	3,881,861
	<u>10,202,931</u>	<u>15,392,593</u>

**10 Creditors: amounts falling due within one year**

	2017 £	2016 £
Trade creditors	5,444,002	5,962,795
Amounts owed to group undertakings	5,022,900	3,959,706
Corporation tax	-	7,500
Other taxes and social security costs	451,240	343,353
Other creditors	1,059,851	2,224,790
Accruals and deferred income	1,079,919	700,389
	<u>13,057,912</u>	<u>13,198,533</u>

**11 Deferred taxation**

	2017 £	2016 £
Accelerated capital allowances	33,074	39,949
	<u>33,074</u>	<u>39,949</u>
	2017 £	2016 £
At 1 January	39,949	51,536
Deferred tax charge in profit and loss account	(6,875)	(11,587)
At 31 December	<u>33,074</u>	<u>39,949</u>

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**12 Share capital**

	2017 No.	2016 No.	2017 £	2016 £
Allotted, called up and fully paid: Ordinary shares of £1 each	3,000,000	3,000,000	3,000,000	3,000,000

**13 Reserves**

	Profit and loss account £
At 1 January 2016	2,504,674
Profit for the financial year	2,582,214
At 31 December 2016	5,086,888
At 1 January 2017	5,086,888
Profit for the financial year	1,611,648
At 31 December 2017	6,698,536

**14 Reconciliation of movement in shareholders' funds**

	2017 £	2016 £
At 1 January	8,086,888	5,504,674
Profit for the financial year	1,611,648	2,582,214
At 31 December	9,698,536	8,086,888

**15 Other financial commitments**

At the year end the Company had total commitments under non-cancellable operating leases as set out below:

	Land and buildings 2017 £	Land and buildings 2016 £	Motor vehicles 2017 £	Motor vehicles 2016 £
Payments falling due:				
within one year	142,915	142,915	546,913	626,992
within two to five years	487,915	515,830	831,830	685,602
	630,830	658,745	1,378,743	1,312,594

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**16 Risk management objectives and policies**

The company is exposed to a variety of financial risks which result from both its operating and investing activities. The company's risk management is coordinated at its headquarters and is regularly discussed by the board of directors. The company does not engage in the trading of financial assets nor does it write options. The most significant financial risks to which the company is exposed are as follows:

**i) Credit risk**

The company's trade and other receivables are monitored actively to avoid significant concentrations of credit risk. The company varies its credit terms with new customers in order to reduce this risk.

**ii) Cash flow and interest rate risks**

The Group is in a cash positive situation and exercises strict cash management. In 2016, the Group completed a refinancing exercise, successfully securing a £65 million term facility with Investec Bank plc and Barclays Bank plc. A non-utilisation fee is payable.

**iii) Market risk**

The company does not have any financial instruments which would be affected by changes in market prices. It is the view of management that the company is not exposed to a material degree of market risk.

**17 Accounting estimates and judgements**

Estimates and assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the Balance Sheet date are discussed below. These are included for completeness, although it is the Directors' view that none of these have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Impairment loss of trade and other receivables:** The Company's policy for doubtful receivables is based on the on-going evaluation of the collectability and ageing analysis of the trade and other receivables and on management's judgements. Considerable judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of the Company's receivables were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment loss of trade and other receivables may be required. The carrying amounts of these assets are shown in note 9.

**18 Controlling party**

The Company is a subsidiary undertaking of Nationwide Accident Repair Services Limited. Copies of the accounts can be obtained from the registered office of the Company. The ultimate controlling party is CSP III Canaveral Co-Investment (Cayman) L.P. The smallest Group for which accounts are drawn up and which the Company is a member of is Canaveral Holdco Limited. Canaveral Holdco Limited is indirectly owned 75.3% by CSP III Cayman International AIV, L.P. (Cayman). ("CSP III AIV"), 12.4% by CSP III Canaveral Co-Investment (Cayman) L.P. ("CSP Co-Investment"), L.P., and 12.3% by management of Nationwide Accident Repair Services.

**19 Related Party Transactions**

There were no related party transactions other than with wholly owned members of the Canaveral Holdco Limited Group.