

**NCI Insurance Services Limited**  
**Financial Statements**  
**For the Year Ended 31 March 2018**

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COMPANIES HOUSE

**PKF LITTLEJOHN LLP**

Statutory Auditor  
1 Westferry Circus  
Canary Wharf  
London  
E14 4HD

# **NCI Insurance Services Limited**

## **Financial Statements**

**Year ended 31 March 2018**

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# **NCI Insurance Services Limited**

## **Directors' Report**

**Year ended 31 March 2018**

The Directors present their report and the financial statements of the Company for the year ended 31 March 2018.

### **Principal activities and business review**

The principal activity of the Company during the year was insurance broking.

The Company has taken advantage of the exemption from preparing a formal business review under Section 415 of the Companies Act 2006. A full review has been undertaken in the parent Company's publicly available financial statements.

### **Directors**

The Directors who served the Company during the year were as follows:

Mr N M Richards-Smith  
Mr C T Duwell (resigned 6 June 2017)  
Mr R P Sharman

### **Dividends**

The Directors do not recommend the payment of a dividend.

### **Disclosure of information in the strategic report**

The Company has taken advantage of the exemption from preparing a Strategic Report under Section 414B of Companies Act 2006.

### **Provision of information auditors**

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### **Auditors**

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

This report was approved by the board of Directors on 21 November 2018 and signed on behalf of the board by:



Mr P M Barrett  
Company Secretary

# **NCI Insurance Services Limited**

## **Directors' Responsibilities Statement**

**Year ended 31 March 2018**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 judgments 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.

# NCI Insurance Services Limited

## Independent Auditor's Report to the Member of NCI Insurance Services Limited

Year ended 31 March 2018

### Opinion

We have audited the financial statements of NCI Insurance Services Limited (the 'Company') for the year ended 31 March 2018, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# NCI Insurance Services Limited

## Independent Auditor's Report to the Member of NCI Insurance Services Limited

(continued)

Year ended 31 March 2018

### Other information

The other information comprises the information included in the Directors Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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;
- the Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirements to prepare a Strategic Report.

# NCI Insurance Services Limited

## Independent Auditor's Report to the Member of NCI Insurance Services Limited (continued)

Year ended 31 March 2018

### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for audit of financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

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.



**Ian Cowan (Senior statutory auditor)  
for and on behalf of  
PKF Littlejohn LLP  
Statutory auditor**

1 Westferry Circus  
Canary Wharf  
London  
E14 4HD

Date: 22 November 2018

# NCI Insurance Services Limited

## Profit and Loss Account

Year ended 31 March 2018

	Note	2018 £	2017 £
<b>Turnover</b>	<b>3</b>	<b>3,422,077</b>	<b>2,740,311</b>
Cost of sales		<u>(1,119,462)</u>	<u>(1,126,290)</u>
<b>Gross profit</b>		<b>2,302,615</b>	<b>1,614,021</b>
Administrative expenses		<u>(2,135,507)</u>	<u>(1,854,283)</u>
<b>Operating profit/(loss)</b>	<b>4</b>	<b>167,108</b>	<b>(240,262)</b>
Other interest receivable and similar income		<u>2,402</u>	<u>7,309</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>169,510</b>	<b>(232,953)</b>
Tax on profit/(loss) on ordinary activities	<b>6</b>	<u>72,594</u>	<u>(3,537)</u>
<b>Profit/(loss) for the financial year and total comprehensive income</b>		<b><u>242,104</u></b>	<b><u>(236,490)</u></b>

All the activities of the Company are from continuing operations.

The Company has no other comprehensive income other than the amounts recognised in the profit and loss account.

The notes on pages 9 to 17 form part of these financial statements.



# NCI Insurance Services Limited

## Balance Sheet

31 March 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	7	94,949	100,339
<b>Current assets</b>			
Debtors: Amounts falling due within one year	8	4,459,395	2,087,254
Cash at bank and in hand	9	1,345,098	1,153,348
		<u>5,804,493</u>	<u>3,240,602</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(6,317,678)</u>	<u>(4,000,433)</u>
<b>Net current liabilities</b>		<u>(513,185)</u>	<u>(759,831)</u>
<b>Total assets less current liabilities</b>		<u>(418,236)</u>	<u>(659,492)</u>
<b>Provisions</b>			
Taxation including deferred tax	12	<u>(18,040)</u>	<u>(18,888)</u>
<b>Net liabilities</b>		<u>(436,276)</u>	<u>(678,380)</u>
<b>Capital and reserves</b>			
Called up share capital	13	20,000	20,000
Profit and loss account	14	<u>(456,276)</u>	<u>(698,380)</u>
<b>Shareholder deficit</b>		<u>(436,276)</u>	<u>(678,380)</u>

These financial statements were approved by the board of Directors and authorised for issue on 21 November 2018 and are signed on behalf of the board by:



Mr N M Richards-Smith  
Director

Company registration number: 04741145

# NCI Insurance Services Limited

## Statement of Changes in Equity

Year ended 31 March 2018

	Called up share capital £	Profit and loss account £	Total £
<b>At 1 April 2016</b>	20,000	(461,890)	(441,890)
Loss for the year	—	(236,490)	(236,490)
<b>At 31 March 2017</b>	20,000	(698,380)	<b>(678,380)</b>
Profit for the year	—	242,104	<b>242,104</b>
<b>At 31 March 2018</b>	<b>20,000</b>	<b>(456,276)</b>	<b>(436,276)</b>

The notes on pages 9 to 17 form part of these financial statements.

# NCI Insurance Services Limited

## Notes to the Financial Statements

Year ended 31 March 2018

### 1. Statement of compliance

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS 102 in these financial statements.

### 2. Accounting policies

#### Basis of preparation

The Company is a private Company limited by shares and is incorporated and domiciled in England. The principal place of business is 4th Floor, Clarendon House, Victoria Avenue, Harrogate, North Yorkshire, HG1 1JD.

The individual financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of the individual financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies, as set out in 'Judgements in applying accounting policies and key sources of estimation uncertainty'.

The following accounting policies have been applied:

#### Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Group's financial statements. The financial position of the Company and liquidity position are disclosed within these financial statements.

The Parent company has confirmed that it will continue to provide support to the Company for the foreseeable future, and for a period of not less than one year, from the date of approval of these financial statements. The directors have confirmed that the Parent company has sufficient resources available to meet such a commitment. Thus the Company continues to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these Financial Statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- (a) the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
- (b) the requirements of Section 7 Statement of Cash Flows.
- (c) the requirements of Section 11 Financial Instruments paragraph 11.39 to 11.48A.
- (d) the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- (e) the requirements of Section 26 Share-based Payment paragraph 26.18(b), 26.19 to 26.21 and 26.23.
- (f) the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of NCI Vehicle Rescue PLC as at 31 March 2018 and these financial statements may be obtained from the Company's registered office.

# NCI Insurance Services Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2018

### 2. Accounting policies (continued)

#### Revenue recognition

Turnover represents brokerage and profit commission arising on the placement of insurance contracts by the Company.

Brokerage is recognised when the Company's contractual right to such income is established, and to the extent that the Company's relevant obligations under the contracts concerned have been performed. For most of the Company's broking activities, this means that brokerage is recognised at the inception of the underlying contract of insurance concerned, subject to a deferral of brokerage in respect of post-placement services that constitute obligations of the Company under those contracts.

Where the amount of brokerage is dependent on the achievement of contractual targets, the minimum amounts under the contract are recognised at inception, and any incremental amounts are recognised only to the extent that a reliable estimate of the amounts concerned can be made. Such estimates are made on a prudent basis that reflects the level of uncertainty involved.

Profit commission arising from the placement of insurance contracts or the exercise of an underwriting agency by the Company is recognised when the right to such profit commission is established through a contract, but only to the extent that a reliable estimate of the amount due can be made. Such estimates are made on a prudent basis that reflects the level of uncertainty involved.

#### Cost of sales

Cost of sales comprises commissions and fees payable to third party intermediaries and aggregators relating to the provision of such business.

#### Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

# NCI Insurance Services Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 2. Accounting policies *(continued)*

#### Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an asset when the cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Profit and Loss account.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Website development - 20% straight line

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

# **NCI Insurance Services Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2018**

### **2. Accounting policies** *(continued)*

#### **Insurance assets and liabilities**

It is customary that insurance brokers act as agents in placing the insurable risks of their clients with insurance companies and, as such, generally are not liable as principals for the amounts arising on such transactions. Debtors and creditors arising from insurance broking transactions are nevertheless reflected in the company's balance sheet as assets and liabilities. This recognises the substance of the cash flows arising from insurance broking transactions and that the company is entitled to retain the investment income on any such cash flows arising.

#### **Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Short term debtors are measured at the transaction price, less impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method less any impairment.

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# NCI Insurance Services Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 2. Accounting policies *(continued)*

#### Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### Judgements in applying accounting policies and key sources of estimation uncertainty

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.

##### (a) Critical judgements in applying the entity's accounting policies

No judgements have been made in applying the entities accounting policies that would have a significant effect on the amounts recognised in these financial statements.

##### (b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### (i) Post placement activities provision

The Company has an obligation to provide services following the placement of insurance policies under certain contracts, including the handling of claims arising on these contracts. The cost of these services depends on a number of factors, including the number, nature and complexity of claims received and anticipated cost base for handling such claims. In order to recognise the post placement obligation an amount of income is deferred. The amount of income deferred is estimated by management after taking into account the factors noted previously. The assumptions reflect historical experience, current trends and management's best estimate.

At 31 March 2018, the Company has deferred £45,000 (2017: £31,722) in respect of post placement activities; this amount is included within accruals and deferred income.

##### (ii) Accrued profit commission receivable

The Company is entitled to profit commission arising from the placement of insurance under certain contracts. The profit commission earned by the Company is dependent upon the underlying profitability of the book of business written, which given the tail of claims arising may not be payable to the Company for a period of time following completion of the contract on which profit commission is earned. Due to the unexpired risk on those contracts, the uncertain assessment of any final losses, including an assessment of any IBNR, and the impact of any loss deficit clauses, the Directors are not able to reliably estimate profit commission due at 31 March 2018 and have therefore not recognised such income.

##### (iii) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

# NCI Insurance Services Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2018

### 3. Turnover

Turnover arises from:

	2018 £	2017 £
Insurance brokerage	<u>3,422,077</u>	<u>2,740,311</u>

The whole of the turnover is attributable to the principal activity of the Company wholly undertaken in the United Kingdom.

### 4. Operating profit

Operating profit or loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible assets	<u>40,550</u>	<u>40,670</u>

### 5. Auditor's remuneration

	2018 £	2017 £
Fees payable for the audit of the financial statements	<u>10,220</u>	<u>9,060</u>

### 6. Taxation

#### Major components of tax income

#### Current tax:

UK current tax income	<u>456</u>	—
Total current tax	<u>456</u>	—

#### Deferred tax:

Origination and reversal of timing differences	(73,050)	4,531
Impact of change in tax rate	—	(994)

<b>Tax on profit/(loss) on ordinary activities</b>	<u><b>(72,594)</b></u>	<u><b>3,537</b></u>
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#### Reconciliation of tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

	2018 £	2017 £
Profit/(loss) on ordinary activities before taxation	<u>169,510</u>	<u>(232,953)</u>
Profit/(loss) on ordinary activities by rate of tax	<u>32,207</u>	<u>(46,591)</u>
Difference in tax rate	—	(994)
Unused tax losses	(72,202)	—
Utilisation of tax losses	(32,599)	—
Group relief not charged	—	51,122
<b>Tax on profit/(loss) on ordinary activities</b>	<u><b>(72,594)</b></u>	<u><b>3,537</b></u>



# NCI Insurance Services Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2018

### 6. Taxation (continued)

#### Factors that may affect future tax charges

Legislation was passed on 18 November 2015 to further reduce the UK corporation tax rate to 19% from 1 April 2017 and 18% from 1 April 2020. Further legislation was introduced in the Finance Bill 2016 to reduce the main rate of corporation tax to 17% from 1 April 2020, which supersedes the 18% rate.

The Company has taxation losses totalling £380,011 (2017: £553,302) which are available for carry forward against future taxable profits. No deferred tax asset has been provided in respect of these losses, due to the uncertainty of their future recovery.

### 7. Tangible assets

	Website developments £
<b>Cost</b>	
At 1 April 2017	255,302
Additions	35,160
<b>At 31 March 2018</b>	<b>290,462</b>
<b>Depreciation</b>	
At 1 April 2017	154,963
Charge for the year	40,550
<b>At 31 March 2018</b>	<b>195,513</b>
<b>Net book value</b>	
<b>At 31 March 2018</b>	<b>94,949</b>
At 31 March 2017	100,339

### 8. Debtors

	2018 £	2017 £
Trade debtors	4,328,882	1,756,480
Deferred tax asset	72,202	—
Prepayments and accrued income	58,311	54,959
Other debtors	—	275,815
	<b>4,459,395</b>	<b>2,087,254</b>

### 9. Cash and Cash Equivalents

	2018 £	2017 £
Cash at bank and in hand	<b>1,345,098</b>	<b>1,153,348</b>

Cash at bank and in hand includes £1,317,502 (2017: £1,115,790) held in insurer trust bank accounts, which is not available to the Company for working capital purposes.

# NCI Insurance Services Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2018

### 10. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	3,989,914	1,834,597
Amounts owed to group undertakings	2,221,308	1,839,218
Accruals and deferred income	74,355	61,249
Corporation tax	456	—
Other creditors	31,645	265,369
	<u>6,317,678</u>	<u>4,000,433</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 11. Deferred tax

The deferred tax included in the balance sheet is as follows:

	2018 £	2017 £
Included in debtors (note 8)	72,202	—
Included in provisions (note 12)	(18,040)	(18,888)
	<u>54,162</u>	<u>(18,888)</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018 £	2017 £
Accelerated capital allowances	(18,040)	(18,888)
Unused tax losses	72,202	—
	<u>54,162</u>	<u>(18,888)</u>

### 12. Provisions

	Deferred tax (note 11) £
At 1 April 2017	18,888
Charge against provision	(848)
At 31 March 2018	<u>18,040</u>

### 13. Share capital

Allocated, called-up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary A shares of £1 each	15,000	15,000	15,000	15,000
Ordinary B shares of £1 each	5,000	5,000	5,000	5,000
	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

# **NCI Insurance Services Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2018**

### **14. Reserves**

Profit & loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

### **15. Related party transactions**

The Company has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with Group companies in instances where subsidiaries of the Company's parent undertaking are wholly owned.

There are no other related party transactions that require disclosure in these financial statements.

### **16. Controlling party**

The Company's immediate and Ultimate Parent Undertaking is NCI Vehicle Rescue PLC, a company registered in England and Wales. The consolidated financial statements for NCI Vehicle Rescue PLC are available from the Company's registered office:

In the opinion of the Group Directors there is no overall controlling party of NCI Vehicle Rescue PLC.