

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take or the contents of this document you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

This document comprises a prospectus and has been drawn up in accordance with the Public Offers of Securities Regulations 1995. A copy of this Prospectus has been delivered for registration to the Registrar of Companies in England and Wales in accordance with Regulation 4(2) of those Regulations.

The Directors of the Company whose names appear on page 3 of this document accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and there are no other facts the omission of which would affect the import of such information. All the Directors accept responsibility accordingly. In connection with this Prospectus and/or the Offer, no person is authorised to give any information or make any representation other than as contained in this Prospectus.

The share capital of the Company is not presently listed or dealt in on any stock exchange. It is intended that an application will be made for all the Ordinary Shares of the Company to be traded through OFEX, a market operated by OFEX plc to allow trading in the shares of unquoted companies. **It is emphasised that no application is being made for the admission of the Ordinary Shares to the Official List of the UK Listing Authority or to trade on AIM. The rules of OFEX are less demanding than those of the Official List or of AIM.**

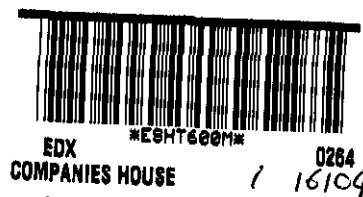
NCI Vehicle Rescue plc

(Incorporated in England and Wales under the Companies Act 1985 with Registered Number 5052874)

Offer for Subscription

**of up to 2,666,666 Ordinary Shares of 1p each
at a price of 15p per share payable in full on application**

**Ordinary Share Capital of the Company immediately following the Offer
(assuming full subscription)**



<i>Authorised</i>			<i>Issued</i>	
<i>Amount</i>	<i>Number</i>		<i>Amount</i>	<i>Number</i>
£500,000	50,000,000	Ordinary Shares of 1p each	£92,666	9,266,666

Ruegg & Co Limited, which is regulated by the Financial Services Authority and is a member of OFEX, is the Company's Corporate Adviser for the purposes of the Offer.

The advisers named on page 3 are acting for the Company and for no one else in relation to the arrangements proposed in this document and will not be responsible for anyone other than the Company for providing the protections afforded to clients of such advisers or for providing advice in relation to the Offer.

The Ordinary Shares which are the subject of the Offer will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all respects with all other Ordinary Shares which will be in issue on completion of the Offer.

The subscription list for the Offer Shares will open at 10.00 am on 4 June 2004 and may be closed at any time thereafter, but not later than 3.00 pm on 9 July 2004 unless at the discretion of the Directors it is extended beyond that date. The terms and conditions and procedure for application are set out in Part IV of this Prospectus and the application form is set out at the end of this document. Legally binding commitments in respect of 1,333,332 Ordinary Shares at the Offer Price have been received.

The whole text of this document should be read. An investment in NCI Vehicle Rescue plc involves a high degree of risk and, in particular, attention is drawn to the section entitled "Risk Factors" in Part I of this document. An investment in the Company may not be suitable for all recipients of this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Robert Henry Armitage Chase	<i>Non-Executive Chairman</i>
	Neil Michael Richards-Smith	<i>Managing Director</i>
	Craig Tony Duwell	<i>Operations Director</i>
	Robert James Kenneth Sinclair	<i>Non-Executive Director</i>
	all of 1 Cheltenham Mount, Harrogate, HG1 1DW	
Secretary and Registered Office	David John Webb, FCIS 44 Phipps Hatch lane Enfield Middlesex EN2 0HN	
Corporate Adviser	Ruegg & Co Limited 39 Cheval Place Knightsbridge London SW7 1EW	
Auditors and Reporting Accountants	Tennant Land Partners 7 North Park Road Harrogate HG1 5PD	
Solicitors to the Company and the Offer	Edwin Coe 2 Stone Buildings Lincoln's Inn London WC2A 3TH	
Bankers	Royal Bank of Scotland 27 Park Row Leeds LS1 5QB	
Registrars and Receiving Agents	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA	

DEFINITIONS

In this Prospectus, where the context permits, the expressions set out below shall bear the following meanings:

"the Act"	the Companies Act 1985, as amended;
"Admission"	Admission of the Ordinary Shares, in issue and to be issued pursuant to the Offer, to trading on OFEX;
"AIM"	AIM, a market operated by the London Stock Exchange;
"Application Form"	the application form for use in connection with the Offer set out at the end of this document;
"Arranger Warrant"	the Warrant to subscribe for Ordinary Shares at the Offer Price representing up to 7.5 per cent of the enlarged issued share capital of the Company following the closing of the Offer to be issued to Ruegg;
"Company"	NCI Vehicle Rescue plc;
"Combined Code"	The Principles of Good Governance and Code of Best Practice prepared by the Committee on Corporate Governance and published in June 1998;
"Committed Investors"	the investors who have committed to subscribe for Offer Shares as described in paragraph 12.1 of Part III of this Prospectus;
"Directors" or "Board"	the board of directors of the Company;
"FSA"	Financial Services Authority;
"Group"	the Company and NCI;
"London Stock Exchange"	London Stock Exchange plc;
"NCI Consultants" or "NCI"	NCI Consultants Limited, a wholly-owned subsidiary of the Company;
"Offer"	the invitation by the Company to subscribe for the Offer Shares set out in this document;
"OFEX"	a market operated by OFEX plc which is regulated by the Financial Services Authority, which allows trading in the shares of unquoted companies;
"Offer Price"	the offer price of 15p per Offer Share;
"Offer Shares"	up to 2,666,666 Ordinary Shares which are the subject of the Offer;
"Ordinary Shares"	the ordinary shares of 1p each in the capital of the Company;
"POS Regulations"	the Public Offers of Securities Regulations 1995 (as amended);
"Prospectus"	this document;
"Ruegg" or "Ruegg & Co."	Ruegg & Co Limited.

KEY INFORMATION

The following information is derived from and should be read in conjunction with the full text of this Prospectus.

The Business

The Group is engaged in the provision of vehicle breakdown and roadside assistance recovery services to owners of cars, motorcycles and vans.

Operations of the Company are principally in the UK with the potential to expand internationally.

Key Strengths

The Company has:

- a strong and experienced management team
- non-executive directors with demonstrable track record at director level within The Automobile Association
- a large marketplace in which the Directors believe the Company can grow market share
- a current customer base of over 10,000 vehicle registered customers and over 3,500 personal members
- historical record of increasing revenues as set out below and increasing subscriber numbers

<i>Financial Year Ended</i>	<i>Turnover</i>	<i>Pre-Tax Profit/(Loss)</i>
31 March 2001	£82,732	(£1,359)
31 March 2002	£200,677	£8,027
31 March 2003	£374,498	£25,167
31 March 2004	£507,829	£13,966

Prospects

NCI has enjoyed considerable growth in terms of turnover whilst remaining profitable. Significantly, this has been achieved with limited marketing spend.

Funds raised pursuant to the Offer will be used for working capital purposes and to finance growth through an extensive but focused advertising and public relations campaign. The potential market for the Group's existing products is very large. There are over 34,000,000 vehicles in the UK market with over 1,400,000 being motorcycles.

Terms of the Offer

Up to 2,666,666 Ordinary Shares are being offered for subscription at 15p per share to raise £400,000 before expenses. Legally binding commitments have been received from the Committed Investors in respect of 1,333,332 Offer Shares.

EIS (Enterprise Investment Scheme) Tax Reliefs

The Company has received confirmation from the Inland Revenue that the Company will be treated as carrying on a qualifying trade for the purpose of the Enterprise Investment Scheme.

OFFER STATISTICS

Offer Price	15p
Market Capitalisation at the Offer Price on Admission	£1,390,000
Number of Ordinary Shares in issue following the Offer assuming maximum subscription	9,266,666
Proportion of enlarged issued ordinary share capital now being offered, assuming maximum subscription	28.78%
Number of Offer Shares, the subject of the Offer	2,666,666
Gross proceeds receivable by the Company pursuant to the Offer (assuming full subscription)	£400,000
Number of warrants exercisable at 15p to be issued to the Committed Investors	1,333,332
Number of Arranger Warrants exercisable at 15p to be issued to Ruegg	up to 694,999
Number of warrants exercisable at 10p already granted	150,000
Number of options over Ordinary Shares exercisable at 17p to be allocated amongst directors and employees	up to 926,666
Total fully diluted capital on completion of the Offer assuming full subscription and full exercise of all warrants and options	12,371,663

PART I

INFORMATION ON THE GROUP

Introduction

The Company is the holding company of NCI Consultants, a company that specialises in the provision of vehicle breakdown and roadside assistance recovery.

The cover is currently provided to customers based in the UK, caters for vehicles used in the UK and Europe and is available to both individuals and businesses. NCI provides cover for motorcycles, cars and vans.

The types of cover provided by NCI have been specifically designed to compete with other breakdown repair and recovery services available in the marketplace in terms of level of cover and service as well as price.

In the opinion of the Directors, in the breakdown and recovery market, there is a strong correlation between the age of vehicles covered and breakdown cover usage rates. The Directors believe that, of the three largest players in the marketplace, only Direct Line reflects this in its pricing strategy. By targeting individuals who match perceived low-risk profiles, the Directors believe that NCI will continue to keep its prices below those of its main competitors.

Background

The Company was incorporated on 23 February 2004 as a public limited company and is the holding company owning the entire issued share capital of NCI Consultants. NCI Consultants was formed in April 2000 by its directors Neil Richards-Smith and Craig Duwell and commenced trading in August 2000.

Some of the Group's key strengths are:

- Strong and enthusiastic management team
- Non-executive directors with demonstrable track record at director level within The Automobile Association
- Historical record of increasing revenues and subscriber numbers
- Infrastructure now in place for rapid expansion
- Contract in place for advertising in specialist magazines on a profit share basis to 30 June 2006
- Most memberships can be annually renewed and 57% of all memberships are renewed annually
- All products are fully insured by Groupama
- Large potential market
- Historic revenue growth as set out below

<i>Financial Year Ended</i>	<i>Turnover</i>	<i>Pre-Tax Profit/(Loss)</i>
31 March 2001	£82,732	(£1,359)
31 March 2002	£200,677	£8,027
31 March 2003	£374,498	£25,167
31 March 2004	£507,829	£13,966

Historically, NCI has predominantly provided breakdown cover for motorcycles through advertising in motorcycle magazines. The directors believe that the split between motorcycles and other vehicles covered is becoming more balanced as the customer base grows. NCI currently has over 10,000 vehicle registered customers and over 3,500 personal members with an estimated 2.7 vehicles covered per policy.

More recently NCI has begun to expand the number of customers taking out car breakdown cover since the target market is approximately 25 times larger than that of motorcycles. The marketing plan began with advertising in Yellow Pages, which has proven to be very successful. NCI now advertises in every Yellow Pages in the UK excluding Northern Island and the Isle of Wight.

Quote conversion rates since 1 April 2004 are approximately 68%. The gross margin (since 1 April 2004) on premiums paid for the year ended 31 March 2004 was approximately 38%.

The Directors expect substantial growth over the next 3 years and NCI currently has suitable telephone systems, computer hardware, bespoke software, the necessary staff procedures and systems to handle such growth.

NCI has already identified a number of additional products that it could cross-sell to the customer base in addition to breakdown cover. Such products include car insurance, vehicle inspections, warranties and vehicle history checks. In addition NCI has commenced offering travel insurance to its customers.

Operations

Applications for cover are received by telephone, the internet (via the company's website www.ncionline.co.uk) and by post. NCI currently advertises its products in special interest magazines, the Yellow Pages, at exhibitions and events and by direct mail. The products offered by NCI are also promoted by third parties such as motorbike and car dealerships.

The breakdown cover sold by NCI is a fully-insured product backed by Groupama Insurances, one of the UK's leading general insurers and a wholly-owned subsidiary of a large European financial group. Since the breakdown cover is a fully-insured product any claims are met by the insurer, leaving NCI without any exposure to claims.

NCI utilise the services of a network of independent recovery agents throughout the UK and Europe. These recovery agents are only paid for the time spent assisting members with NCI policies and these policies are fully insured for the call-out time. NCI members are therefore able to make substantial savings as NCI is not required to have a fleet of vehicles and technicians 24 hours per day, every day during the year and thus overheads are kept to a minimum. These savings can therefore be passed onto policyholders through reduced annual fees.

Claims handling is outsourced to Call Assist, for 24-hours per day, seven days per week claims handling. This outsourced service allows NCI to focus on selling the breakdown cover whilst keeping overheads as low as possible. Call Assist was formed in 1999 to develop motor rescue, accident assistance and other assistance services.

It is the Directors' opinion that the key personnel of Call Assist have excellent experience of managing large vehicle recovery contracts. Call Assist is a member of the General Insurance Standards Council, BSEN ISO 9001 accredited and recognised as an investor in people.

The range of membership available is varied and allows members to choose the cover that suits their individual needs. With this tailored approach NCI are able to offer appropriate cover to any individual or business giving the Company a potential market of over 25,000,000 vehicles or individuals.

The Process

Upon receiving a call, an NCI operator will establish the client's requirements and proceed to take the caller's details. The client is asked where he heard about NCI, which is essential as it allows NCI to monitor the effectiveness of its advertising spend, and the date the client would like cover to commence should they decide to choose an NCI policy. The client is then asked relevant questions relating to the client's circumstances, which they will use to establish the cover that best suits the client's needs. The client is given a quotation.

The quotation (premium) is explained to the client along with a brief overview of the contract and any questions are answered. The operator will then attempt to close the sale and obtain a commitment to buy from the client.

- 1) If the client decides to purchase the cover, the client's payment details are taken and documents are sent out the same day by first class mail, including a full policy wording, schedule of cover and a membership card that has the free dedicated 24hour breakdown line telephone number printed on it. Nightly data transfer then sends this client's information to NCI's service provider whose database is updated with those that have taken out cover.
- 2) If the client decides not to buy the cover, NCI confirm the quote reference and ask if the client would like the quote and specimen policy wording sent.

If a member needs to use the service they are directed to call the 24hour breakdown number. This is routed to a call centre where the operator will confirm the client's membership details to validate their claim and confirm the location of the client/breakdown, locate the nearest relevant vehicle recovery operator and then send assistance.

The client is always contacted roadside by the operator to provide details of the vehicle recovery operator who will be attending and the client is also asked if they would like anyone to be contacted on their behalf.

Customers normally contact NCI only if they have any queries, alterations or problems with their policy.

21 days before the policy falls due for renewal, NCI will send written confirmation of the new premium and inform the client of what is on offer. On the seventh day before the due date, if the policy has not been renewed, the NCI renewal operators will contact the client who is reminded that the policy is due for renewal and try to obtain payment. If it is not possible to make contact by telephone then a letter is sent. This process is repeated each year.

Products available

- *Economy (roadside assistance and recovery up to ten miles)*

Provides roadside assistance and recovery 24 hours a day, 365 days a year anywhere on the mainland UK, Northern Ireland and the Isle of Man. Cover is operative outside a 1-mile radius of the registered address. This cover provides recovery to a nearby garage, home or original destination up to a maximum of 10 miles (any additional mileage to be at customer's cost). A full puncture repair service is provided at either the roadside or a nearby garage depending on individual circumstances of call out.

- *Comprehensive (roadside assistance and unlimited recovery)*

All the cover included within the economy, with the following added benefits:

- Recovery to a nearby garage, the customer's home, or original destination regardless of the mileage.
- Alternative transportation costs are covered.
- Overnight accommodation costs are covered.
- Key assist – if the customer loses the keys to the vehicle, the call out and mileage back to the recovery operators base are covered.

- *HomeAssist (as Comprehensive with the added benefit of assistance at home address)*

Includes all the benefits of the economy and comprehensive cover with the added protection of assistance at home. If repair is not possible at the home, NCI will arrange for the transportation of the vehicle to a nearby garage.

- *European (as Comprehensive within the specified European countries)*

Includes all the benefits of the Economy and Comprehensive cover both in the UK and most European Countries. This includes repatriation for the vehicle, driver and up to five passengers or motorcycle, rider and pillion. There are also generous benefits under the alternative hire vehicle and accommodation sections. The customer is entitled, under the cover, to travel any number of times within each year of cover, for up to a maximum of two months in any one trip.

- *European and Home (As HomeAssist within the specified European countries)*

This is the highest level of cover available and gives all the benefits of European cover with the addition of Home Assistance.

- *Short Period European*

This cover is available for new and existing clients who do not need annual European cover but want to go away for a limited time, minimum 4 days to a maximum 30 days.

- *Optional +*

This provides for recovery of the covered vehicle, driver and up to five passengers or motorcycle, rider and pillion following any accident, theft or act of vandalism, illness or injury. Unlike some other organisations offering accident recovery, NCI does not attempt to recover its costs from the individual or their insurers.

Types of membership available

- *Vehicle Registered (covers specified vehicles only for any driver)*

Vehicle is covered for any driver. This cover gives the vehicle owner peace of mind when allowing others to use the vehicle.

- *Personal Cover (covers the specified person(s) only for any vehicle)*

This is a policy for the named individual and provides cover for vehicles driven by the individual. NCI can provide single, joint and family cover depending on requirements. Whatever the vehicle, providing it meets NCI standard terms and conditions, which excludes certain vehicles, an NCI representative will assist the customer. Under the personal membership scheme the person(s) named in the schedule will only receive assistance if they are with the vehicle when it breaks down.

Fundraising

The Company is now seeking to raise capital of £400,000 under the Offer to facilitate further growth in the UK. The funds will be mainly used for extensive but focused advertising and public relations campaigns in various media along with commercial promotion. To date the utilisation of paid-for advertising has been restricted. The Directors believe that with the funds raised pursuant to the Offer they will be able to take advantage of the demand for a quality breakdown cover product at competitive prices.

Market

The potential market for the Group's existing products within the UK is very large. There are over 34,000,000 vehicles in the UK market with over 1,400,000 being motorcycles. The breakdown services market is estimated to be worth over £1.4billion (source: Ram Media using TGI 2003 statistics).

Sales and marketing

The Group currently promotes its products through the Motorcycle News publication, Yellow Pages and spot advertising in other motorcycle media. NCI also issues press releases and attends national and regional shows.

Motorcycle distributors have been approached to promote the Group's products or distribute NCI sales brochures when a motorcycle is purchased. To date Victory Motorcycles and Aprilia Motorcycles have agreed deals with NCI whereby all new bikes purchased will be offered or provided with a one year NCI Comprehensive Biker Rescue contract. These are NCI branded in respect of Victory and co-branded in respect of Aprilia. These agreements have a number of benefits for NCI, including promotion of the NCI brand and its association with reputable motorcycle distributors.

The Dealer Direct programme has been set up by NCI to allow car and motorcycle dealers to sell NCI products in their showrooms. This has proven successful since the Group effectively has an outsourced sales force on a commission only basis. The Dealer Direct system has been on trial for over twelve months and is now in an expansion programme. NCI currently have over 175 dealers on the system and the Directors intend to continue to target this market.

The Directors plan to continue to approach any company or organisation that has customers or members who may be interested in breakdown cover. The Company would benefit from large organisations promoting the NCI brand whilst these organisations would benefit from profit-share arrangements. Examples where large organisations have promoted other breakdown cover include Tesco and Direct Line, Barclays and Green Flag, Lloyds TSB and AA. NCI intends to target similar commercial opportunities.

FSA Licence

From January 2005, NCI is required to be authorised by the FSA since the breakdown membership provided is a fully insured product. NCI has applied for full authorisation and have utilised the services of an external consultant in preparation of the necessary documentation. The Directors have no reason to believe that approval by the FSA will be declined.

Competition

The major competitors of the Group have strong brand names and have been established for many years but due to the nature of their membership schemes and higher prices charged by competitors the Directors believe that NCI provides an attractive alternative.

There are three major organisations providing breakdown cover. These are the AA, RAC and Direct Line. In addition to these, there are a number of smaller companies who have entered the market such as More Than and Britannia Rescue. The Directors believe that NCI has an advantage over all competitors in terms of price. The disadvantage for NCI is that it is currently one of the least well-known brands.

It is the belief of the Directors that with additional exposure from advertising and public relations, NCI can substantially increase brand awareness and thus revenues whilst taking market share from competitors.

Directors

Robert Henry Armitage Chase, aged 59, FCA, MCT, FSTP, Non-Executive Chairman

Bob was educated at Ipswich School and is a chartered accountant and corporate treasurer with extensive international leadership, operational and financial turnaround experience. He is also a Fellow of The Society of Turnaround Professionals. As group managing director of the AA (The Automobile Association) between 1990 and 1997, Bob devised and oversaw the implementation of strategies that led to an increase in revenues through 23% membership growth, and improved productivity. The loss-making retail operation was closed and other costs reduced. Bob also reviewed and improved distribution channels, including direct mail and contact centre activity. Bob helped to turn the AA into an effective PLC style business and introduced new products (such as the AA driving school) and repositioned other products (such as financial services). Bob was a non-executive director of the London Transport Board until February 1999. Since leaving the AA he has concentrated on helping companies in financial difficulty and is a Director of Regenesys Partners Limited. Bob has worked in many sectors including transport (railways, shipping, ports, airlines and automotive), travel and leisure, project management, logistics and distribution, financial services and outsourcing.

Neil Michael Richards-Smith, aged 34, Managing Director

Neil began work in 1986 as an office junior at Swinton Insurance and quickly progressed through the positions of office clerk, assistant manager of the Leeds city centre branch to become the manager of the Thornaby branch of Swinton. With nine staff, Neil ensured the smooth running and profitability of the branch, staff training, promotion, recruitment and disciplinary procedures. In 1993 Neil joined Swire Renshaw as an area sales representative promoting motor manufacturer insurance schemes throughout the dealer networks for Honda cars, Honda bikes and Daihatsu cars. Neil was also responsible for presentations to the manufacturers and dealer conferences. In 1996 Neil became a commercial account executive responsible for producing new commercial clients for Swire Renshaw and servicing existing policyholders with medium sized insurance policies. Neil was promoted to First Secure Development Manager in 1998 responsible for running the department and controlling the staff schedule of dealer visits, dealing with manufacturers and principals of the existing insurance schemes as well as the capture of new schemes to grow the portfolio of affinity and manufacturer schemes. Neil left Swire Renshaw in March 2000 to set up NCI Consultants with Craig Duwell.

Craig Tony Duwell, aged 30, Operations Director

Craig began his career in 1989 at Swinton Insurance in a junior position progressing to sales advisor trained on all aspects of insurance products sold by the company. Craig joined the Batley branch in 1991 as assistant manager. In 1992 he became a relief manager servicing several branches within the Yorkshire area. In 1993 Craig joined Swire Renshaw as a sales advisor within the Hondacare motor insurance division selling motor insurance to Honda owners. He became team leader in 1994 and Section Head of the Hondacare Insurance Advisers in 1995 responsible for 19 advisors. In 1996 he was selected to head Swire Renshaw's direct arm as the company branched out into a new market. He was later promoted to the business development department to work alongside Mr Richards-Smith in developing the First Secure brand.

Robert James Kenneth Sinclair, aged 55, BA (Hons), Non-Executive Director

Robert was educated at Dulwich College and has a BA Honours degree in Business Studies from Portsmouth Polytechnic. Robert started his working life with British Petroleum, as a graduate trainee, working in London, Belfast and Libya. He joined the AA (The Automobile Association) in 1973 and was appointed Membership Sales and Marketing Director in 1993 and Group Marketing Director in 1997. He left the AA in April 2000 and is now an independent marketing consultant specialising in customer loyalty marketing. Robert's career with the AA included a number of senior roles in planning, operations and marketing. In the late 1980's he was responsible for the development of ARC Transistance, a pan-European assistance company set up by the AA and other leading European breakdown organisations, and for 6 years chaired the marketing commission of the Alliance Internationale de Tourism, the worldwide association of motoring clubs. As Membership Sales and

Marketing Director, he introduced the AA's "4th Emergency Service" positioning and helped to effect the AA's demutualisation in 1999 and subsequent sale to Centrica.

Employees

In addition to the Directors, NCI has a further 3 full-time employees in sales roles and two part-time employees in administration roles.

Trading Record

The trading record of the Group for the years ended 31 March 2002, 31 March 2003 and 31 March 2004 extracted from the Accountant's Report set out in Part II of this document, is summarised below:

	Year ended 31 March 2002 £	Year ended 31 March 2003 £	Year ended 31 March 2004 £
Turnover	200,677	374,498	507,829
Gross profit	96,194	168,171	314,320
Operating Profit	8,479	25,462	13,926
Profit/Loss on ordinary activities before taxation	8,027	25,167	13,966
Profit/Loss on ordinary activities after taxation	7,319	22,065	13,071

NCI has enjoyed considerable growth in terms of turnover whilst remaining profitable. Turnover has increased from £200,677 for the year ended 31 March 2002 to £507,829 for the year ended 31 March 2004. Significantly, this has been achieved with limited marketing spend.

Corporate Governance

The Company intends to develop appropriate measures to ensure that it will (as far as practicable having regard to its size) comply with the Combined Code.

The Company has adopted and will operate a share dealing code for Directors in the same terms as the Model Code for companies whose shares have been admitted to AIM.

The Company has also undertaken that it will issue announcements on the OFEX Newstrack Service.

The Arranger Warrant

The Company has agreed to grant Ruegg an Arranger Warrant which will entitle Ruegg to subscribe for Ordinary Shares representing up to 7.5 per cent of the issued share capital of the Company at the closing of the Offer at the Offer Price at any time in the five years following the date of this Prospectus.

Management Share Option Scheme

To assist in the recruitment, retention and incentivisation of the Directors and key employees, the Company intends to implement an approved share option scheme as well as an unapproved share option scheme for the non-executive Directors which will be in aggregate limited to 10 per cent of the issued share capital of the Company at Admission. The exercise price of the options will not be less than 17p. Further terms relating to the approved share option scheme is set out in paragraph 8 of Part III below.

Marketability of Shares and OFEX

It is intended that an application will be made for the Company's issued Ordinary Shares to be traded on the OFEX market and the Offer is conditional upon the grant of permission to trade Ordinary Shares on OFEX being obtained. OFEX is a market operated by OFEX plc and is not part of the London Stock Exchange. OFEX also has a comprehensive company information and announcement system called Newstrack, which is presently distributed by Bloomberg, Primark, Reuters and AFX. Newstrack is an electronic news and information service for professional intermediaries which carries information on OFEX companies, announcements by such companies and other information on OFEX including mid-prices. Newstrack is available to private investors through the Internet at www.ofex.com.

Any individual wishing to buy or sell shares, which are traded on the OFEX market, must trade through a stockbroker (being a member of the OFEX market and regulated by the Financial Services Authority) as the market's facilities are not available directly to the public.

The share capital of the Company is not presently listed or dealt in on any stock exchange. It is emphasized that no application is being made for admission of these securities to AIM or the Official List of the UK Listing Authority.

Terms of the Offer

Existing shareholders are not selling any Ordinary Shares pursuant to the Offer and up to 2,666,666 new Ordinary Shares are being issued by the Company, representing a total of 28.78 per cent of the issued share capital of the Company immediately following the Offer (assuming maximum subscription).

The Offer is conditional upon the Company's application to join OFEX being accepted. Investors may apply for a minimum of 8,000 Offer Shares (£1,200) and thereafter in multiples of 1,000 Offer Shares. Applications must be made on the Application Form. Details of the procedure for application for Offer Shares are set out in Part IV of this document. The Directors reserve the right to reject in whole or in part or to scale down any application.

The subscription list will open at 10.00 am on 4 June 2004 and may be closed at any time thereafter but in any event no later than 3.00 pm on 9 July 2004, unless extended by the Directors. The subscription price of 15p per Offer Share is payable in full on application.

The Offer Shares will, following allotment, rank *pari passu* in all respects with the existing issued Ordinary Shares and will have the right to receive all dividends and other distributions hereafter declared, made or paid in respect of the issued ordinary share capital of the Company.

Committed Investors

The Company has entered into investment agreements ("Committed Investor Agreements") with each of Gledhow Investments plc, Mosaïque plc, Trevor Larman and Woodland Capital Limited ("the Committed Investors") pursuant to which each of the Committed Investors has agreed to subscribe for 83,333 Offer Shares (in aggregate 333,332 Offer Shares) and conditionally to subscribe for up to a further 250,000 Offer Shares to the extent that these are not taken up pursuant to the Offer (in aggregate 1,000,000 Offer Shares). The Committed Investor Agreements are conditional upon Admission taking place by no later than 31 August 2004. As consideration for these commitments, the Company has agreed to grant 1 warrant to each of the Committed Investors for every 1 share committed so that each Committed Investor will receive 333,333 warrants to subscribe for new Ordinary Shares at the Offer Price, exercisable at any time for a period of five years from the date of grant. Further details of the Committed Investor Agreements are provided in paragraph 12.1 of Part III.

Reasons for the Offer

The Offer will raise approximately £323,000 for the Company net of expenses (assuming full subscription). The net proceeds of the Offer will be used for working capital purposes and also to provide funds to finance growth through an extensive but focused marketing campaign. The Directors believe that the profile of the Company will be significantly enhanced by its position as a company whose shares are traded on OFEX. None of the Directors is selling any Ordinary Shares in or as a consequence of the Offer.

Directors Interests

The Directors' interests following the Offer are set out in paragraph 4 of Part III of this document. In aggregate, the Directors will be interested in 5,133,332 Ordinary Shares following Admission, representing approximately 55.40 per cent. of the Company's issued share capital assuming full subscription of the Offer Shares. The Directors have undertaken not to sell any Ordinary Shares without the prior consent of Ruegg for a period of twelve months from the date of Admission.

Dividend Policy

The Directors are committed to building and developing the business of the Company. Accordingly they propose to reinvest any profits during the next few years and do not expect to pay dividends for at least the first three years following Admission.

Enterprise Investment Scheme (EIS) Tax Reliefs

The Company has received clearance from the Inland Revenue that its business qualifies for relief in respect of the Enterprise Investment Scheme. The proposed new financing structure should therefore enable potential investors to qualify for relief under EIS subject to the detailed requirements of the scheme. EIS tax relief can be claimed by a qualifying individual who subscribes for eligible shares in a qualifying company.

Set out below are summaries of the main provisions of the Enterprise Investment Scheme, so far as is relevant to the Company and investors, as set out in the Income and Corporation Taxes Act 1988 (as amended). It does not set out the provisions in full and potential investors are strongly advised to seek independent professional advice.

(i) Income Tax Relief

Qualifying individuals may deduct an amount equal to tax at the lower rate on the amounts subscribed for qualifying shares in qualifying companies from their total liability to income tax for the tax year in which the shares are issued. For the tax year 2004/2005, the relief is obtained at a rate of 20%. It does not matter whether the individual is UK resident for tax purposes but relief is only available where an investor has a UK income tax liability. The amount of income tax relief cannot exceed an individual's tax liability before other reliefs given by way of discharge of tax. The maximum income tax relief available to an individual who has subscribed for eligible shares is based on a maximum investment of £200,000 in any one tax year. The tax relief can be spread between any number of EIS qualifying companies.

(ii) Capital Gains Tax (CGT) Deferral

Liability of individuals and certain trustees to CGT arising from the disposal of any asset may be deferred by investing the gain (or part of the gain) in the shares of a qualifying company. The investment must be made within a time period beginning one year before and ending three years after the original disposal.

(iii) CGT Exemption

To the extent EIS income tax relief is given and not withdrawn and on the assumption that shares were originally subscribed from the Company, there is no CGT due on gains arising on the disposal of the shares in the Company provided these have been held for a minimum of three years from the date of issue or the commencement of trading, if later. However, any previous gains deferred by reinvesting EIS shares remain chargeable.

(iv) Loss Relief

Where a loss is incurred by an investor on the first disposal of his shares, the loss calculated after deducting EIS tax relief from the cost of the investment may be set against either chargeable gains or taxable income at the election of the investor.

Individuals Qualifying for Relief

Subject to certain exemptions, an individual must not be, nor have been within the previous two years, prior to the issue of shares, connected with the Company, or become connected with it within the next three years (or three years from the commencement of trade if later), if he is to retain the tax reliefs. The main rules relating to connection are that:

- (i) neither the individual nor his associates may control the Company or possess more than 30% of the issued ordinary share capital or loan capital or voting powers in the Company or rights carrying entitlements to 30% of the assets available for distribution on a winding up;
- (ii) neither the individual nor his associates may be an employee, partner or paid director of the Company (subject to (iii) below) or its subsidiaries. An unpaid director is not disqualified if he is reimbursed travelling or subsistence expenses which would otherwise be allowable for taxation; and
- (iii) an individual may become a paid director of the Company provided at the time he subscribes for eligible shares he was not, and has not previously been, otherwise connected with the Company, nor with the trade carried on by the Company. Any remuneration paid to a director must be reasonable.

Claims

Investors claim income tax relief by submitting a tax relief certificate (Form EIS 3) issued to them by the Company to the Inspector of Taxes dealing with their own tax affairs. The claim for relief must be made no later than five years after the 31 January following the end of the tax year in which the shares are issued.

Qualification of the Company

For a period of three years following the issue of the shares, the Company must only:

- (i) carry on a qualifying trade; and/or

- (ii) be the parent company of a group which exists wholly, or substantially wholly for the purposes of carrying on qualifying trades.

It must also:

- (iii) have gross assets of less than £15,000,000 before the issue of the shares and not more than £16,000,000 after the issue;
- (iv) be unquoted at the time of the issue, without any arrangements in place for quotation (shares traded on OFEX are not regarded as quoted for this purpose).

Withdrawal of relief

If the company or the Group ceases to carry on its qualifying trade, the relief will be withdrawn. Relief may be wholly or partly withdrawn. Relief will also be wholly or partly withdrawn if, for example, the claimant receives value from the Company (other than dividends) or disposes of the shares within three years of the date of issue. Relief will also be lost if an investor takes out a loan under special terms connected in any way with the shares.

EIS Tax Relief Certificates

Following the issue of the New Ordinary Shares, the company must apply to the Inland Revenue for authorisation to issue tax relief certificates (Form EIS 3) to investors. Although the time taken by the Inland Revenue to grant authorisation cannot be controlled by the Company, every effort will be made by the Directors to expedite matters and, as soon as authorisation is given, Form EIS 3 will be distributed to investors. Investors should then submit the Forms EIS 3 to the Inspector of Taxes dealing with their own affairs.

RISK FACTORS

There are various risks associated with an investment in the Company. The Directors consider the following risks to be the most significant to potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company:

- The sector in which the Group operates is very competitive and there is no certainty that the Group will be able to achieve growth targets or that the market it intends to exploit can be exploited to the extent indicated by the Group. Although the Directors believe that the products offered by NCI are competitive in terms of price and quality there is no guarantee that other competing products and services will not in due course be launched on the market or indeed that existing competitors will become more price-competitive.
- The Group has a small management team and the loss of a key individual could affect the Group's business. Whilst the Company has entered into service agreements with the executive directors and they are shareholders in the Company, the retention of their services cannot be guaranteed.
- The Group's plan of operation is based on assumptions concerning future events in particular an expansion of the business as a result of increased marketing spend, on the basis of information to date, which the Directors believe to be reasonable but which are subject to uncertainty and change. There is no certainty that the Group's strategy will be realised or that it will achieve the profits and cash flows anticipated.
- Management estimates of future sales are based on their subjective assessments of the likely level of interest in the products from potential purchasers subsequent to marketing activities. These estimates are inevitably subject to error.
- It may be necessary for the Group to arrange additional capital by way of the issue of further shares to enable it to progress through further stages of development. There can be no assurance that such funding will be available to the Company, nor of the degree of dilution to shareholders that such fundraising may entail.
- As from January 2005 the Company will have to be authorised by the Financial Services Authority in order to carry on its business. The Company has filed the necessary documentation with the FSA. Whilst the Directors have worked closely with the FSA, utilised the services of a specialist external consultant and submitted the application early, there is a risk that the application will be rejected by the FSA. If the application is rejected then the Company will not be permitted to carry on its business.
- The Company's business operations are at a relatively early stage of development and its success will depend largely upon the effectiveness of its current management in taking advantage of opportunities in order to enhance the Group's growth and profitability.
- The Ordinary Shares are not listed or dealt in on any stock exchange. Notwithstanding that an application is intended to be made for the Ordinary Shares to be traded through the OFEX market, no guarantee can be given that such application will be accepted and nor should admission to OFEX be taken to imply there will be a "liquid" market in the Ordinary Shares. An investment in the Ordinary Shares may therefore be difficult to realise. The value of the Ordinary Shares may go down as well as up. Investors may therefore realise less than their original investment, or sustain a total loss of their investment.
- While the Directors believe the Company's application to join OFEX will be accepted, admission to, and continued membership of OFEX are entirely at the discretion of OFEX plc.

The investment offered in this Prospectus may not be suitable for all of its recipients. Investors are accordingly advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of this kind before making their decision.

PART II ACCOUNTANTS' REPORTS

The following is the full text of a report on NCI Vehicle Rescue plc from Tennant Land Partners, the Reporting Accountants to the Directors of NCI Vehicle Rescue plc and Ruegg & Co Limited.

ACCOUNTANTS' REPORT ON NCI VEHICLE RESCUE PLC

The Directors
NCI Vehicle Rescue plc
1 Cheltenham Mount
Harrogate
HG1 1DW

and

The Directors
Ruegg & Co Limited
39 Cheval Place
London
SW7 1EW

1 June 2004

Dear Sirs

NCI VEHICLE RESCUE PLC

Introduction

We report on the financial information set out below. This financial information has been prepared in connection with the Offer for Subscription in NCI Vehicle Rescue plc contained in the prospectus dated 1 June 2004.

NCI Vehicle Rescue plc (registered in England & Wales, company number 5052874) was incorporated on 23 February 2004 as a privately owned limited company with the name NCI Temp plc. On 5 March 2004 the company changed its name to NCI Vehicle Rescue plc.

Other than the acquisition of the entire issued share capital of NCI Consultants Limited referred to below, the company has not traded and has not made up any statutory accounts and has not declared or paid a dividend since the date of incorporation.

On the 26th February 2004, the company issued and allotted 4,999,998 ordinary shares of 1p each to the shareholders of NCI Consultants Limited in exchange for their shares in that company (and the two subscriber shares were credited as fully paid and with effect from that date, NCI Consultants Limited became a subsidiary undertaking of NCI Vehicle Rescue plc.

On the 24th March 2004, as a result of a private placing, the company issued 1,500,000 shares at a price of 10p per share raising £150,000 before expenses.

On the 15th April 2004, as a result of a private placing, the company issued 100,000 shares at a price of 10p per share raising £10,000 before expenses.

Basis of preparation

NCI Vehicle Rescue plc has not yet prepared financial statements for presentation to shareholders. The company was incorporated on 23 February 2004 and its accounting reference date is 31 March with the first accounts being prepared for the period from incorporation to 31 March 2005. The financial information set out below is based on the company's management information to which no adjustments were considered necessary.

Responsibility

The Directors of NCI Vehicle Rescue plc are responsible for the contents of the Prospectus in which this report is included. It is our responsibility to compile the financial information set out in our report, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statement of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of the evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information set out below gives, for the purpose of the Prospectus dated 1 June 2004 a true and fair view of the state of affairs of NCI Vehicle Rescue plc as at the date stated.

Consent

We consent to the inclusion of this report in the prospectus and accept responsibility for this report for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities regulations 1995.

Yours faithfully

Tennant Land Partners

Chartered Accountants and Registered Auditors

NCI VEHICLE RESCUE plc
BALANCE SHEET AT 31 MARCH 2004

		As at 31 March 2004 £
Fixed assets		
Investment in subsidiary undertaking	2	50,000
Current assets		
Debtors – amount owed by subsidiary		150,000
		<u>200,000</u>
Capital and reserves		
Called up share capital	3	65,000
Share premium account		135,000
		<u>200,000</u>

NOTES TO THE FINANCIAL INFORMATION

1. Accounting policies

The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to the group's financial information.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2. Investment in subsidiary undertaking

The investment in subsidiary undertaking represents the acquisition in the period of the entire share capital of NCI Consultants Limited (registered in England and Wales, number 3976374).

3. Share capital – Equity

	£
Authorised	
50,000,000 ordinary shares of 1p each	500,000
Allotted, called up and fully paid	
6,500,000 ordinary shares of 1p each	65,000

The company was incorporated on 23rd February 2004 (registered in England and Wales, number 05052874) with an authorised share capital of £100,000 consisting of 10,000,000 ordinary shares of 1p each. On the 26th February 2004 the authorised share capital was increased to £500,000 by the creation of a further 40,000,000 ordinary shares of 1p each.

On incorporation, 2 ordinary shares of 1p each were issued and allotted. On the 26th February 2004, 4,999,998 ordinary shares of 1p each were issued and allotted, fully paid at par including payment of subscription monies on the 2 subscriber shares in exchange for 2 ordinary shares of £1 each in NCI Consultants Limited (representing the entire share capital of the company).

On the 24th March 2004, the company issued 1,500,000 shares at a price of 10p per share.

Since the balance sheet date on 15th April 2004 the company issued 100,000 shares at a price of 10p per share.

ACCOUNTANTS' REPORT ON NCI CONSULTANTS LIMITED

The Directors
NCI Vehicle Rescue Plc
1 Cheltenham Mount
Harrogate
North Yorkshire
HG1 1DW

and

The Directors
Ruegg & Co Limited
39 Cheval Place
London
SW7 1EW

1 June 2004

Dear Sirs

NCI CONSULTANTS LIMITED

Introduction

We report on the financial information set out below. This financial information has been prepared in connection with the Offer for Subscription in NCI Vehicle Rescue plc contained in the prospectus dated 1 June 2004.

NCI Consultants Limited (registered in England & Wales, company number 3976374) was incorporated on 19 April 2000 as a privately owned limited company with an authorised share capital of 1,000 shares of £1 each. The company commenced to trade on 1 May 2000 and its accounting reference date is 31 March.

Basis of preparation

The company has prepared financial statements for the period from incorporation on 19 April 2000 to 31 March 2001 and for the three years ending 31 March 2002, 31 March 2003 and 31 March 2004.

The company qualified for exemption from audit under section 249(1) of the Companies Act 1985 throughout the period from 19 April 2000 to 31 March 2004.

However the financial statements for the year ended 31 March 2004 were audited by this firm and an unqualified audit report opinion was issued. We have not become aware, since the date of our audit report, of any matter affecting their validity.

The financial information given below has been extracted from the financial statements referred to above to which no material adjustments were considered necessary.

Responsibility

The directors of NCI Vehicle Rescue plc are responsible for the contents of the prospectus in which this report is included. It is our responsibility to compile the financial information set out in our report, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statement of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of the evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information set out below gives, for the purpose of the Prospectus dated 1 June 2004, a true and fair view of the state of affairs of NCI Consultants Limited as at the dates stated and of its results for the periods then ended.

Consent

We consent to the inclusion of this report in the prospectus and accept responsibility for this report for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities regulations 1995.

Yours faithfully

Tennant Land Partners

Chartered Accountants and Registered Auditors

NCI CONSULTANTS LIMITED
PROFIT AND LOSS ACCOUNTS

	Notes	Year ended 31.3.2004 £	Year ended 31.3.2003 £	Year ended 31.3.2002 £
Turnover	1	507,829	374,498	200,677
Cost of sales		314,320	206,327	104,483
Gross profit		193,509	168,171	96,194
Distribution costs		32,930	22,586	23,172
Administration expenses		146,653	120,123	64,543
Operating profit	2	13,926	25,462	8,479
Interest receivable		641	559	379
Interest payable and similar charges		(601)	(854)	(831)
Profit on ordinary activities before taxation		13,966	25,167	8,027
Corporation tax on profit on ordinary activities	3	895	3,102	708
Profit on ordinary activities after taxation		13,071	22,065	7,319
Dividends	4	12,000	22,000	5,950
Retained profit		1,071	65	1,369
Retained profit brought forward		74	9	(1,359)
Retained Profit Carried Forward		1,145	74	10

NCI CONSULTANTS LIMITED
BALANCE SHEETS

	Notes	Year ended 31.3.2004 £	Year ended 31.3.2003 £	Year ended 31.3.2002 £
Fixed assets				
Tangible assets	5	16,877	9,183	8,663
Current assets				
Debtors	6	43,789	13,489	8,715
Cash at bank		159,396	30,351	21,970
		203,185	43,840	30,685
Creditors: amounts falling due within one year	7	215,955	51,688	32,909
Net current assets		(12,770)	(7,848)	(2,224)
Total assets less current liabilities		4,107	1,335	6,439
Creditors: amounts falling due after more than one year	8	(2,960)	(1,259)	(6,427)
		1,147	76	12
Capital and reserves				
Called up share capital	9	2	2	2
Profit and loss account		1,145	74	10
Shareholders' funds		1,147	76	12

NCI CONSULTANTS LIMITED
NOTES TO THE FINANCIAL INFORMATION

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

Motor Vehicles	—	25% reducing balance
Equipment	—	25% reducing balance

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

2. Operating profit

Operating profit is stated after charging:

	2004	2003	2002
	£	£	£
Directors' emoluments	17,094	12,326	10,372
Depreciation of owned fixed assets	3,292	2,021	865
Depreciation of assets held under hire purchase agreements	2,335	1,040	825
Auditors' remuneration – as auditors	1,469	—	—

3. Tax on profit on ordinary activities

	2004	2003	2002
UK Corporation tax at 19%	895	3,403	708
Over/under provision in prior year		(301)	
	<u>895</u>	<u>3,102</u>	<u>708</u>

4. Dividends

	2004	2003	2002
	£	£	£
Final	12,000	22,000	5,950

5. Tangible Fixed Assets

	Motor vehicles £	Office equipment £	Total £
Cost			
Year ended 31.3.2002	4,251	8,165	12,416
Year ended 31.3.2003	972	2,609	3,581
Year ended 31.3.2004	6,218	7,103	13,321
At 31.3.2004	11,441	17,877	29,318
Depreciation			
Year ended 31.3.2002	1,063	2,690	3,753
Year ended 31.3.2003	1,040	2,021	3,061
Year ended 31.3.2004	2,335	3,292	5,627
At 31.3.2004	4,438	8,003	12,441
Net Book Value			
Year ended 31.3.2002	3,188	5,475	8,663
Year ended 31.3.2003	3,120	6,063	9,183
At 31.3.2004	7,003	9,874	16,877

6. Debtors

	2004 £	2003 £	2002 £
Trade debtors	0	3,807	5,982
Other debtors	0	141	0
Directors current accounts	9,917	2,733	2,733
Prepayments and accrued income	33,872	6,808	0
	43,789	13,489	8,715

7. Creditors: amounts falling due within one year

	2004 £	2003 £	2002 £
Bank loans and overdrafts	1,606	1,609	0
Trade creditors	16,784	13,449	27,870
Amounts owed to group undertakings	150,000	0	0
Corporation tax	900	3,403	708
Other taxation and social security	0	0	1,145
Hire purchase agreements	2,563	1,162	1,161
Other creditors	0	289	0
Accruals and deferred income	44,102	31,776	2,025
	215,955	51,688	32,909

8. Creditors: amounts falling due after more than one year

	2004	2003	2002
	£	£	£
Bank loans and overdrafts	0	0	4,103
Hire purchase agreements	2,960	1,259	2,324
	<u>2,960</u>	<u>1,259</u>	<u>6,427</u>

9. Called up share capital

	2004	2003	2002
	£	£	£
Authorised 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>

10. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

PART III

STATUTORY AND GENERAL INFORMATION

1. Incorporation and Registration

- 1.1 The Company was incorporated in England and Wales with registration number 5052874 on 23 February 2004 as a public limited company with the name NCI Temp plc. The Company changed its name to NCI Vehicle Rescue plc pursuant to a written resolution dated 26 February 2004. The principal legislation under which the Company operates is the Act and the regulations made under it. The liability of the members of the Company is limited.
- 1.2 NCI was incorporated in England and Wales with registration number 03976374 on 19 April 2000 as a private limited company with the name NCI Consultants Limited. The principal legislation under which NCI operates is the Act and regulations made under it.

2. Share Capital

- 2.1 (a) On incorporation, the share capital of the Company was £100,000 divided into 10,000,000 Ordinary Shares of 1p each of which 2 were issued to the subscribers to the Company's Memorandum of Association.
- (b) On 26 February 2004, resolutions of the Company were passed for the purpose of increasing the share capital of the Company to £500,000 by the creation of a further 40,000,000 Ordinary Shares of 1p each.
- (c) Save as referred to in paragraph 2.1 (b) above, since incorporation, there have been no changes in the Company's authorised share capital.
- 2.2 Since incorporation there have been the following changes in the issued share capital of the Company:
- (a) On 23 February 2004, 1 subscriber share was transferred to Neil Richards-Smith and 1 subscriber share was transferred to Craig Duwell;
- (b) On 26 February 2004 written resolutions of the Company were passed for the following purposes:
- (i) to authorise the Directors pursuant to and in accordance with Section 80 of the Act to exercise all the powers of the Company to allot relevant securities (as defined in section 80 of the Act) up to an aggregate nominal amount of the authorised but unissued share capital of the Company, such authority to expire 5 years after the passing of the resolution unless duly revoked or varied; and
- (ii) to empower the Directors pursuant to Section 95 of the Act to allot equity securities up to the amount of the authorised but unissued share capital of the Company (as defined in Section 94 of the Act) for cash pursuant to the Section 80 authority as if Section 89(1) of the Act did not apply to any such allotment, such power to expire 5 years after the date of the resolution unless duly revoked or varied
- (d) On 26 February 2004, 2,499,999 Ordinary Shares were allotted and issued credited as fully paid to Neil Richards-Smith and 2,499,999 Ordinary Shares were allotted and issued credited as fully paid to Craig Duwell, the shareholders of NCI Consultants Limited and the 2 subscriber shares were credited as fully paid up as set out in paragraph 2.2(a) above.
- (e) On 24 March 2004 the Company issued 1,500,000 new Ordinary Shares pursuant to a private placing with 24 placees raising £150,000 before expenses (£137,500 net) at a price of 10p per share. The Company also granted Ruegg & Co 150,000 warrants to subscribe for shares at 10p for arranging this private placing.
- (f) On 15 April 2004 the Company issued 100,000 new Ordinary Shares pursuant to a private placing with 2 placees, Mr Robert Henry Armitage Chase, the non-executive chairman of the Company and Mr Robert Sinclair, the non-executive director of the Company, raising £10,000 before expenses (£9,500 net) at a price of 10p per share.

- (g) Save as disclosed in this paragraph 2.2, there has been no issue of share capital of the Company since its incorporation.
- 2.3 Pursuant to the corporate adviser agreement referred to in paragraph 12.2 below and the Committed Investor Agreements referred to in paragraph 12.1 below the Company has agreed to grant to:
 - (a) Ruegg, the Arranger Warrant; and
 - (b) the Committed Investors, the warrants referred to in paragraph 12.1 below
- 2.4 Save to the extent disapplied as disclosed in this paragraph 2, the provisions of section 89 of the Act confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash.
- 2.5 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 2.6 Save as disclosed in this paragraph 2 no share capital or loan capital of the Company has been issued and save for the Offer Shares and Ordinary Shares to be issued upon exercise of the Warrants referred to in this paragraph 2 no share or loan capital of the Company is now proposed to be issued, either fully or partly paid or for cash or any other consideration. Save as disclosed in this paragraph 2, paragraphs 6.3 and 6.4 and paragraph 8 below, no share or loan capital of the Company or any other member of the Group is proposed to be issued or is under option or is agreed conditionally or unconditionally to be put under option.
- 2.7 Save for the issue of the Offer Shares, on the exercise of the Warrants as described in this paragraph 2 and on exercise of any options under the share option schemes, the Company has no present intention to issue any of the authorised but unissued share capital of the Company.
- 2.8 Except as stated in this Part III:
 - (a) the Company does not have in issue any securities not representing share capital; and
 - (b) there are no outstanding convertible securities issued by the Company.

3. Memorandum and Articles of Association

- 3.1 The Memorandum of Association of the Company states that its principal object is to carry on the business of a general commercial company. The objects of the Company are set out in full in clause 4 of the Memorandum of Association. The liability of the members is limited.
- 3.2 The Articles of Association of the Company ("the Articles") include provisions to the following effect:

3.2.1 Voting Rights

At general meetings of the Company, on a show of hands, every member who (being an individual) is present in person or (being a corporation) is present by a duly authorized representative not being himself a member entitled to vote, shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share held by him. On a poll votes may be given either personally or by proxy.

3.2.2 Alteration of Capital

The Company may from time to time by ordinary resolution:

- (a) increase its capital as the resolution shall prescribe;
- (b) consolidate and divide all or any of its shares into shares of larger amount;
- (c) subdivide all or any of its shares into shares of smaller amount and attach varying rights to the shares resulting from such subdivision; and
- (d) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

The Company may by special resolution reduce its share capital, any capital redemption reserve fund and any share premium account subject to the provisions of the Act.

3.2.3 *Variation of Rights*

All or any of the special rights for the time being attached to any class of shares for the time being issued may be varied or abrogated with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of such holders (but not otherwise). At every such separate general meeting the necessary quorum shall be not less than two persons holding or representing by proxy not less than one third in nominal amount of the issued shares of the class or, at any adjourned meeting of such holders, one holder who is present in person or by proxy, whatever the amount of his holding, shall be deemed to constitute a meeting.

3.2.4 *Purchase of Own Shares*

Subject to the provisions of the Act and to the sanction by an extraordinary resolution passed at a separate class meeting of the holders of any convertible shares, the Company may purchase any of its own shares of any class (including redeemable shares) at any price.

3.2.5 *Transfer of Shares*

Any member may transfer all or any of his shares. Save where any rules or regulations made under the Act permit otherwise, the instrument of transfer of a share shall be in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and (in the case of a share which is not fully paid) by the transferee. The Board may in its absolute discretion and without giving any reason decline to register any transfer of shares which are not fully paid or on which the Company has a lien.

3.2.6 *Dividends and other distributions*

The Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. The Board may pay interim dividends if it appears that they are justified by the financial position of the Company.

All dividends shall be apportioned and paid pro rata to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid.

Any dividend unclaimed after a period of 12 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company. The Board may, if authorized by an ordinary resolution of the Company, offer members the right to elect to receive shares credited as fully paid in whole or in part, instead of cash, in respect of the dividend specified by the ordinary resolution.

The Company may cease to send any cheque or dividend warrant through the post if such instruments have been returned undelivered or remain uncashed by a member on at least two consecutive occasions. The Company shall recommence sending cheques or dividend warrants if the member claims the dividend or cashes a dividend warrant or cheque.

In a winding up, the liquidator may, with the sanction of an extraordinary resolution and subject to the Insolvency Act 1986, divide among the members in specie the whole or any part of the assets of the Company and/or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator determines.

3.2.7 *Directors*

- (i) At every annual general meeting of the Company as near as possible (but not exceeding) one third of the Directors for the time being shall retire by rotation and be eligible for re-election. The Directors to retire will be those who have been longest in office or, in the case of those who became or who are re-elected Directors on the same day, shall, unless they otherwise agree, be determined by lot.
- (ii) Save as provided in paragraph (iii) below, a Director shall not vote (nor be counted in the quorum) on any resolution of the Directors in respect of any contract or arrangement or any other proposal

whatsoever in which he has any material interest. The Company may by ordinary resolution suspend or relax such provisions to any extent or ratify any transaction not duly authorized by reason of a contravention of such provisions.

- (iii) The prohibition in paragraph (ii) above shall not apply to a Director in relation to any of the following matters, namely: (i) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him for the benefit of the Company or any of its subsidiaries; (ii) the giving of any guarantee, security or indemnity to a third party in respect of an obligation of the Company or any of its subsidiaries for which he has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by giving of security; (iii) the subscription for or underwriting or sub-underwriting of any shares, debentures or other securities of the Company or any of its subsidiaries by him; (iv) any proposal concerning any other company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing one per cent or more of either any class of the equity share capital or the voting rights in such company; (v) any resolution relating to an arrangement for the benefit of employees of the Company or any of its subsidiaries and which does not provide in respect of any Director as such any privilege or benefit not accorded to the employees to whom the arrangement relates; and (vi) any proposal concerning the purchase and/or maintenance of any insurance policy against liability for negligence, default, breach of duty or breach of trust in relation to the Company under which he may benefit.
- (iv) The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other provision of the Articles) shall not exceed in aggregate £250,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such Director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board. The Directors shall be entitled to all such reasonable expenses as they may properly incur in attending meetings of the Board or in the discharge of their duties as Directors. Any Director who by request of the Board performs special services may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine. The Directors may pay pensions and other benefits to, inter alia, present and past employees and Directors and may set up and maintain schemes for the purpose.
- (v) The provisions of Section 293 of the Act relating to the mandatory retirement of Directors at age 70 do not apply to the Company.
- (vi) Unless otherwise determined by ordinary resolution of the Company, the number of Directors shall not be less than two. There is no maximum number of Directors. A Director shall not be required to hold any shares of the Company by way of qualification.

3.2.8 *Borrowing Powers*

The Directors may exercise all the powers of the Company to borrow money, to guarantee, to indemnify and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (so far as regards subsidiaries as by such exercise they can secure) that the aggregate principal amount (including any premium payable on final payment) for the time being outstanding of all monies borrowed by the Company and its subsidiaries and for the time being owing to third parties shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed the higher of an amount equal to four times the Adjusted Capital and Reserves (as defined in the Articles of Association).

4. **Directors' shareholdings and other interests**

The interests of the Directors (all of which are beneficial) in the issued share capital of the Company as at the date of this document and immediately following completion of the Offer assuming full subscription under the Offer, such interests being those which are required to be notified by each Director to the Company under the provisions of section 324 or 328 of the Act or which are required to be entered in the register of interests required to be maintained pursuant to section 325 of the Act or which are interests of persons connected with the Directors

within the meaning of section 346 of the Act, the existence of which is known or which could, with reasonable diligence, be ascertained by the Directors are, and will be, as follows:

	Existing and Following Admission (assuming full subscription)			
	Number of Ordinary Shares	Percentage of issued ordinary share capital	Number of Ordinary Shares	Percentage of issued ordinary share capital
Director				
Robert Henry Armitage Chase	50,000	0.75%	66,666	0.71%
Neil Richards-Smith	2,500,000	37.87%	2,500,000	26.97%
Craig Duwell	2,500,000	37.87%	2,500,000	26.97%
Robert James Kenneth Sinclair	50,000	0.75%	66,666	0.71%

The Directors have undertaken to Ruegg that they will not dispose of any Ordinary Shares for a period of 12 months from the date of admission to trading on OFEX.

At the date of this document and immediately following Admission, so far as the Directors are aware, no-one, other than the Committed Investors and Neil Richards-Smith and Craig Duwell, are or will, immediately following the Offer, be interested, directly or indirectly, in 3% or more of the votes able to be cast at general meetings of the Company.

Save as disclosed above, and in so far as the Company has the information, the Directors are not aware of anyone who either alone or, if connected, jointly following the completion of the Offer will (directly or indirectly) exercise or could exercise control over the Company.

5. Additional Information on the Directors

The directorships of the Directors currently held and held over the 5 years preceding the date of this document (other than of the Group) are as follows:

Director	Current directorships	Past directorships
Robert Henry Armitage Chase	Turrill Consultancy Services Limited Regenes Partners Limited Hibis Europe Limited Yellow Wall Limited Green Gregory Limited Yellow Wall Acquisitions Limited Green Gregory Acquisitions Limited Regenes Nominees Limited Marketlink Marketing Communications Limited Woodgate Fulfilment Limited Wide Games Limited	Maxima Group plc Moss International Holdings Limited Audacious (UK) Limited Recall Group Plc Self Serve Holdings Limited Appleguard Limited Aberdeen Preferred Income Trust Plc
Neil Michael Richards-Smith	NCI Biker Rescue Limited NCI Temp Limited	None
Craig Tony Duwell	NCI Biker Rescue Limited NCI Temp Limited	None
Robert James Kenneth Sinclair	None	Cranway Limited

NCI Biker Rescue Limited and NCI Temp Ltd are dormant companies and are owned by Neil Richards-Smith and Craig Duwell who have undertaken to transfer their shares in these companies to NCI for no consideration as soon as reasonably practicable.

Robert Chase's principal occupation is as a Company Doctor. He is a Fellow of the Society of Turnaround Professionals. 3i plc appointed Robert as chairman of Moss International Limited and Self Serve Holdings Limited respectively in May 1999 and December 2000. Attempts to restore both these companies to profitability

failed and they were placed into receivership respectively in February 2000 and July 2001, immediately upon them becoming insolvent.

In November 2003, the administrator of Aberdeen Preferred Income Trust Plc appointed Robert Chase as a director to promote a scheme to sell substantial tax losses to a third party. This scheme was successfully implemented for the benefit of shareholders and Robert Chase resigned as a director in February 2004.

Robert Chase has been Chairman of Wide Games Limited since May 1999 and the company was placed into Creditors Voluntary Liquidation on 17th March 2004. The company failed because of lack of business and principally because of a failure to conclude a contract with a games publisher.

Save as disclosed in this prospectus, none of the Directors have any unspent convictions (other than an offence under road traffic legislation in respect of which a custodial sentence was not imposed on him), have been declared bankrupt or have been the subject of an individual voluntary arrangement. None of the Directors were directors of any company at the time of, or within the 12 months preceding, its bankruptcy, receivership, administration, liquidation, company voluntary arrangement or composition or arrangement with its creditors generally. There have been no public criticisms of any of the Directors by any statutory or regulatory authority and no Director has ever been disqualified by a Court from acting as a Director of a Company or from acting in the management or conduct of the affairs of any company. No Director was partner in any partnership at the time or within 12 months preceding its compulsory liquidation, dissolution, administration or partnership or voluntary arrangement. None of the Directors has been contacted by the Department of Trade and Industry in connection with their conduct with respect to any of the companies set out above.

6. Directors' Service Agreements and Emoluments

The Directors have entered into agreements with the Company as follows:

- 6.1 Pursuant to an agreement dated 4 March 2004 Mr Neil Michael Richards-Smith was appointed as a Director of the Company with an annual salary of £30,000 payable monthly in arrears. This is subject to annual review. The appointment is for an initial period of 12 months and thereafter until terminated by at least 6 months written notice by either party, such notice to expire at the end of the initial 12 month period or at any time thereafter. To assist him in the performance of his duties Mr Richards-Smith is also entitled to a car allowance of £10,000 per annum. If the Company achieves audited post-tax profits of £250,000 in any twelve month accounting period (after accounting for salaries of £60,000 for each of the executive Directors) Mr Richards-Smith's salary will be increased to £60,000 commencing from the end of the relevant accounting period.
- 6.2 Pursuant to the letter of appointment dated 4 March 2004 Mr Craig Tony Duwell was appointed as a Director of the Company with an annual salary of £30,000 payable monthly in arrears. The appointment is for an initial period of 12 months and thereafter until terminated by at least 6 months written notice by either party, such notice to expire at the end of the initial 12 month period or at any time thereafter. To assist him in the performance of his duties Mr Duwell is also entitled to a car allowance of £10,000 per annum. If the Company achieves audited post-tax profits of £250,000 in any twelve month accounting period (after accounting for salaries of £60,000 for each of the executive Directors) Mr Duwell's salary will be increased to £60,000 commencing from the end of the relevant accounting period.
- 6.3 Pursuant to a letter of appointment dated 28 May 2004, Mr Robert Henry Armitage Chase agreed to act as non-executive chairman of the Company for an annual fee of £10,000 from the date of Admission plus a fee of £2,000 for services provided in connection with Admission. The appointment is for an initial period of one year from the date of appointment and is subject to termination thereafter on 3 months' written notice by either party. Mr Chase is also entitled to options to subscribe for 25,000 Ordinary Shares at a price of 17p per share. In addition, Mr Chase will be granted options to subscribe for up to a further 75,000 ordinary shares of £0.01 each in the Company in the event that the Company achieves certain targets, details of which will be determined by the Board at a later date.
- 6.4 Pursuant to a letter of appointment dated 28 May 2004, Mr Robert James Kenneth Sinclair agreed to act as a non-executive director of the Company for an annual fee of £5,000 from the date of Admission plus a fee of £1,000 for services provided in connection with Admission. The appointment is for an initial period of one year from the date of appointment and is subject to termination thereafter on 3 months' written notice by either party. Mr Sinclair is also entitled to options to subscribe for 25,000 Ordinary Shares at a price of 17p per share. In addition, Mr Sinclair will be granted options to subscribe for up to a further

75,000 ordinary shares of £0.01 each in the Company in the event that the Company achieves certain targets, details of which will be determined by the Board at a later date.

The aggregate remuneration paid and benefits in kind granted to the Directors for the financial year ended 31 March 2004 amounted to £17,094. It is estimated that the aggregate remuneration (including benefits in kind) of the Directors for the financial year ending 31 March 2005, under the arrangements currently in force will amount to approximately £95,000.

Save as set out above, there are no existing or proposed service agreements between any of the Directors and the Company.

7. United Kingdom Taxation

The statements below are intended only as a general guide to the United Kingdom tax position as at the date of this document for United Kingdom residents beneficially entitled to their Ordinary Shares held as investments and is based on current legislation and practice. It may not apply to certain classes of shareholders such as dealers in securities. Investors should consult their own tax advisers. This summary is not exhaustive and does not generally consider tax reliefs or exemptions.

(a) Reliefs available for OFEX securities

As unquoted securities for tax purposes, various reliefs may be available for OFEX securities, including inheritance tax business property relief (Chapter I of Part V of the Inheritance Tax Act 1984). The precise details of reliefs are not within the scope of this summary, however any person who is in any doubt as to his taxation position should consult an appropriate professional adviser without delay.

(b) Taxation of Capital Gains

An individual shareholder who is either resident or ordinarily resident in the United Kingdom (whether or not domiciled there), may be liable to capital gains tax on any disposal of his shares in the Company.

A United Kingdom resident corporate shareholder may be liable to corporation tax on chargeable gains on any disposal of its shares in the Company.

A shareholder who is not resident (nor, in the case of an individual, ordinarily resident) in the United Kingdom, will not normally be liable to United Kingdom tax on capital gains on any disposal of shares in the Company unless the shareholder carries on a trade, profession or vocation in the United Kingdom through a branch or agency, and the shares are, or have been used, held or acquired for the purpose of such trade, profession or vocation, branch or agency.

(c) Taxation of income

Individual shareholders who are resident in the United Kingdom for tax purposes will be liable to income tax on the aggregate of the dividend received and the tax credit ("the gross dividend"). The value of the tax credit attached to dividends paid by the Company in future for individual shareholders will be one ninth of any dividend paid and will be available to set against their income tax liability. Lower and basic rate taxpayers will have no further liability to tax on their dividend. Higher rate taxpayers will be liable to tax on all or part of the sum of the dividend plus the tax credit at the higher rate of 32.5 per cent. against which liability they can offset the tax credit. No part of the tax credit is repayable.

A United Kingdom resident corporate shareholder will normally not be liable to United Kingdom corporation tax on any dividend received. No part of the tax credit will be available for set off against losses. No claim for repayment of a tax credit can be made in relation to a dividend paid to a pension fund or venture capital trust. Special transitional rules apply to charities.

Shareholders who are not resident in the United Kingdom may be subject to foreign taxation in respect of the dividend received from the Company under the laws of their own country of residence. Such shareholders should consult their own tax advisers concerning their tax liabilities, both in the United Kingdom and their country of residence, on whether they can benefit from all or any part of any tax credit and whether a relief or credit may be claimed in the jurisdiction in which they are resident.

(d) Stamp Duty and Stamp Duty Reserve Tax

Except in relation to depository receipt arrangements and clearance services where special rules apply, under current law, no stamp duty or SDRT will be payable on the issue of shares.

The above is a general summary of certain tax matters and should not be considered as constituting advice. Any person who is in any doubt as to his taxation position, or is subject to taxation in a jurisdiction other than the United Kingdom, should consult an appropriate professional adviser without delay.

8. Share Option Scheme

Subject to approval by the Inland Revenue, the Company intends to adopt an Employee Share Option Scheme (for the purposes of this paragraph referred to as the "Scheme"). In addition, for the purpose of granting the options referred to in paragraphs 6.3 and 6.4 above to the non-executive Directors, the Company intends to adopt an unapproved share option scheme. Under these schemes the Directors have the discretion to grant options to subscribe for Ordinary Shares up to a maximum of 10 per cent of the Company's issued share capital in aggregate. Options can be granted to any employee of the Group. The option price is not to be less than the middle-market price on the day of the grant and in any event not less than 17p per share. The options cannot be exercised for a period of 3 years from the date of grant.

9. Working Capital

The Directors of the Company are of the opinion, having made due and careful enquiry, that the working capital available to the Company will, from Admission, be sufficient for its present requirements.

10. Minimum Subscription

In the opinion of the Directors, the minimum amount which must be raised from the Offer for the purposes mentioned in paragraph 21 of the POS Regulations is £350,000, made up as follows:

Purchase price of property –	Nil
Expenses of the Offer and commission –	£69,490
Repayment of borrowings –	Nil
Working capital –	£280,510

11 Litigation

Neither the Company nor NCI is engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, there is no litigation or claim pending or threatened against the Company or NCI.

12 Material Contracts

The following material contracts, not being a contract entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- 12.1 On 28 May 2004 the Company entered into Committed Investor Agreements in respect of the Offer with each of the Committed Investors. Under these agreements, Gledhow Investments plc, Mosaique plc, Trevor Larman and Woodland Capital Limited each agreed to subscribe for 83,333 Offer Shares and in the event that the Offer is not fully subscribed to subscribe for a further amount of shares pro-rata up to a maximum of a further £37,500 each. The Committed Investor Agreements are conditional upon Admission taking place by no later than 31 August 2004. As consideration for these investment commitments the Company has agreed to grant 333,333 warrants to each Committed Investor entitling each holder to subscribe for new Ordinary Shares at the Offer Price at any time for a period of five years from the date of grant.

The Committed Investor Agreements as entered into contain, *inter alia*, the following conditions:

- (a) The application by the Committed Investors for the new Ordinary Shares being subject to the admission to OFEX of the new Ordinary Shares.
- (b) If Admission has not taken place by midnight 31 August 2004 or such later time as all the Committed Investors unanimously agree, the obligations of the parties will cease and no parties shall have any claim against any other party.

- (c) The Committed Investors may at their absolute discretion waive the Company's compliance with any of the above conditions.

The Committed Investor Agreements also contain the following provisions:

- (a) The directors will not without the written consent of the Committed Investors for a period of 12 months from Admission (i) consolidate the share capital; (ii) reduce the par value of the shares; (iii) amend the voting rights of the shares of the Company; or (iv) create any new shares (other than pursuant to the exercise of existing warrants or options)/warrants/options in the Company; and
- (b) The Directors of the Company if so requested by the Committed Investors within a period of 12 months from Admission have agreed so far as they are able to appoint a non-executive director to the board of the Company nominated by them.

12.2 A letter dated 11 February 2004 whereby the Company appointed Ruegg & Co as corporate adviser. The Company has agreed to pay Ruegg & Co a corporate finance fee of £15,000 plus VAT and disbursements, a commission of 5 per cent of funds raised pursuant to the Offer and has agreed to grant Ruegg & Co the Arranger Warrant. In addition the Company granted Ruegg a warrant to subscribe for 150,000 shares at 10p per share for six years from 6 May 2004 for arranging the private placing referred to in paragraph 2.2(e). The Company has also agreed to pay Ruegg & Co an annual corporate advisory fee of £10,000 plus VAT and disbursements. In addition, the Company and the executive directors have entered into a Corporate Adviser's Agreement with Ruegg & Co dated 28 May 2004 to formalise these arrangements. Under the Corporate Adviser's Agreement the Company and the executive directors have given certain warranties and indemnities to Ruegg & Co as to the accuracy of information in this document and as to other matters in relation to the Group and its business. The Corporate Adviser's Agreement may be terminated, by Ruegg & Co before completion of the Offer in certain limited circumstances, including for material breach of the warranties referred to above. In the event that the Company moves to a more senior market than Ofex within 5 years from 11 February 2004 and Ruegg & Co is not retained as corporate adviser, the Company shall pay to Ruegg & Co, a fee of £12,500 plus VAT

12.3 The warrants described in paragraph 2.3 above.

12.4 The placing agreements referred to in paragraphs 2.2(e) and (f) above.

12.5 By an Agreement dated 30 July 2003 between NCI and Emap Automotive Limited ("Emap"), Emap agreed to endorse NCI's breakdown insurance policy known as "NCI Biker Rescue Service" through its magazine "Motorcycle News". The Agreement commenced on 1 July 2003 and will conclude on 20 June 2006. Pursuant to terms of the Agreement, Emap agreed, *inter alia*, to place a half page per month advertisement approved by NCI in Motorcycle News magazine and to use its reasonable endeavours to promote the NCI Biker Rescue Service and other ancillary products sold by NCI in Motorcycle News magazine and where able other Emap motorcycling magazines. NCI agreed to pay certain fees to Emap based on the number of policies sold or renewed by customers providing an Emap reference number.

12.6 By an agreement dated 7 January 2004 between NCI and Call Assist Limited ("Call Assist"), Call Assist through its delegated claims authority Groupama Insurance Company Limited or other relevant insurers, agreed to provide policyholders declared by NCI for the NCI Rescue Scheme indemnity as laid out within the NCI Rescue/Call Assist Master Policy wording. The Agreement also provides for the provision by Call Assist of a 24 hour, 365 day a year Motor Breakdown Recovery claims helpline service to NCI policyholders. Pursuant to the terms of the agreement Call Assist agreed to use its best endeavours to ensure that, *inter alia*, ninety percent of all calls to its control centre are answered within ten seconds and that recovery operators attend to a breakdown within thirty minutes of instruction in normal circumstances. NCI agreed to pay premiums to Call Assist in accordance with the terms of the Agreement. The Agreement commenced on 1 January 2004 and concludes on 31 December 2005. Either party may cancel the agreement during its term by giving two months notice in writing.

13. General

- (a) The auditors of the Company are Tennant Land Partners of 7 North Park Road, Harrogate, HG1 5PD.

- (b) The financial information contained in this document does not amount to full accounts within the meaning of the Act.
- (c) The expenses of or incidental to the Offer payable by the Company are estimated to amount to £69,000 (excluding VAT), including commission of £20,000.
- (d) Tennant Land Partners has given and not withdrawn its written consent to the inclusion of references to the firm herein in the form and context in which they appear and to the inclusion of its reports and letters in the document and have not become aware, since the date of such reports, of any matter affecting the validity of its reports at that date.
- (e) Ruegg has given and not withdrawn its written consent to the issue of this document with its name included in it and references to it in the form and context in which they appear.
- (f) The Company's accounting reference date is 31 March.
- (g) The Company will be a close company (as defined in the Income and Corporation Taxes Act 1988) immediately following the Offer.
- (h) The nominal value of each Ordinary Share is 1p and they are being offered at 15p per Ordinary Share, giving a premium of 14p per Ordinary Share.
- (i) Other than the current application for admission of Ordinary Shares to trading on OFEX, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made, nor are there intended to be, any other arrangements for there to be dealings in the Ordinary Shares.
- (j) This document has been prepared in accordance with current UK tax legislation, practice and concession and interpretation thereof. Such legislation and practice may change and the current interpretation may therefore no longer apply.
- (k) Save for remuneration received in respect of services rendered to the Company, no payment or other benefits have been paid or given or are now proposed to be paid or given to any promoter. The Directors are the promoters of the Company.
- (l) Save as disclosed in this document the Directors are not aware of any exceptional factors that have influenced the Company's activities.
- (m) Save as described in this document, there are no patents or intellectual property rights, licences or particular contracts that are or may be of fundamental importance to the Company's business.
- (n) At the date of this document the Company has no intention to make any new principal investments save as set out herein.
- (o) Brett Miller, a director and shareholder of Ruegg is also a director and shareholder of Gledhow Investments plc, one of the Committed Investors. Ruegg will receive fees and commission in connection with the Offer and Gledhow Investments will be granted the Warrants described in paragraph 12.1 of Part III of this Prospectus. Gavin Burnell, a consultant to Ruegg and a consultant to the Company is also a director and shareholder of Woodland Capital Limited, one of the Committed Investors. Ruegg will receive fees and commission in connection with the Offer and Woodland Capital Limited will be granted the Warrants described in paragraph 12.1 of Part III of this Prospectus.

14. Documents Available for Inspection

Copies of the following documents will be available for inspection at the offices of Edwin Coe at 2 Stone Buildings, Lincoln's Inn, London WC2A 3TH during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) for a period of 28 days from the date of this document.

- (a) Memorandum and Articles of Association of the Company.
- (b) The Service Agreements and Letters of Engagement referred to in paragraph 6 above.
- (c) The Material Contracts referred to paragraph 12 above.

(d) The written consents referred to in paragraphs 13(d) and (e) above.

(e) The Report by Tennant Land Partners set out in Part II of this document.

15. Availability of Document

Copies of this document will be available free of charge from the offices of Ruegg at 39 Cheval Place, Knightsbridge, London SW7 1EW and will remain available for at least 14 days after the date of Admission.

1 June 2004

PART IV

TERMS AND CONDITIONS AND PROCEDURE FOR APPLICATION

1. Applications for Offer Shares are subject to the terms and conditions included in the Application Form and set out below.
2. The basis of allotment will be determined by the Directors and Ruegg & Co Limited in their absolute discretion. Dealings prior to the issue of share certificates will be at the risk of applicants. A person so dealing must recognise the risk that an application may not have been accepted to the extent anticipated or at all. The Directors and Ruegg & Co Limited reserve the right:
 - (i) to reject any application in whole or in part or to scale down any applications or to accept applications on a "first come first served" basis;
 - (ii) to extend the period during which the subscription list remains open; and
 - (iii) to treat any application as valid and binding on an applicant even if the Application Form is not complete in all respects or is not accompanied by a power of attorney where required.
3. The Application Form should be completed in full and sent or delivered to the address set out on the Application Form together with a remittance for the full amount payable. Cheques and banker's drafts must be payable to Neville Registrars Ltd, a/c NCI and crossed "Not negotiable" and should be drawn in sterling on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank which is either a settlement member of the Cheque and Clearing Company Limited or the CHAPS & Town Clearing Company Limited or a member of either of the committees of the Scottish or Belfast Clearing Houses which has arranged for its cheques and bankers' drafts to be cleared through the facilities provided by either of those companies or those committees (and must bear the appropriate sorting code number in the top right hand corner). Applications must be for a minimum of 8,000 Offer Shares and thereafter in multiples of 1,000 Offer Shares. The issue price of the Offer Shares is 15 pence per share and applications must therefore be for a minimum of 8,000 Offer Shares at an aggregate price of £1,200 and thereafter in multiples of £150 for each additional tranche of 1,000 Offer Shares applied for (or such smaller number for which the application may be accepted). Applicants are advised to allow two full business days for delivery through the post and to use first class mail. Applications will not be acknowledged.
4. The right is reserved to present all cheques and banker's drafts on receipt and to retain certificates for new ordinary shares and any monies returnable pending the clearance of all cheques or pending investigations of any suspected breach of the terms applying to the application. All cheques, certificates and other documents sent or returned to applicants will be sent at the risk of the person(s) entitled thereto.
5. Cheques will be presented by Neville Registrars Ltd for payment on receipt into an interest bearing collection account with Barclays Bank plc. If Neville Registrars Ltd has not received £350,000 (being the minimum amount) in cleared funds by 3.00pm on 9 July 2004 or such later date as the Board may resolve, the Offer will lapse and all monies will be refunded to applicants within seven days thereafter without interest by crossed cheque through the post at the risk of the applicant. Any interest accruing thereon will accrue to the Company. Monies may be transferred to the Company as the Directors and Ruegg & Co Limited may determine against allotment and issue of Offer Shares. If any application is not accepted, the amount paid on application will be returned without interest in each case sent through the post at the applicant's risk.
6. By completing and delivering an Application Form, you irrevocably undertake as follows:
 - (i) to subscribe for such number of shares specified in the Application Form (or such lesser number as is accepted), on the terms of, and subject to, the conditions set out in this document, including these terms and conditions and subject to the Memorandum and Articles of Association of the Company;
 - (ii) to accept such new Ordinary Shares as may be allotted to you in accordance with Box 1 of the Application Form or such lesser number (being not less than £1,200 sterling in value) of Offer Shares in respect of which this application may be accepted;

- (iii) that all applications, acceptances, allotments and contracts arising from it will be governed by and construed in accordance with English law;
- (iv) that you are not under the age of 18 and that if you sign the Application Form on behalf of somebody else or a corporation you have the authority to do so and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of application;
- (v) you authorise the Company or any of its respective agents to send by post a share certificate for the number of Offer Shares for which your application is accepted and/or a crossed cheque and/or return your cheque(s) or banker's draft(s) for any moneys returnable, in each case at the risk of the person(s) entitled thereto, to your address (or that of the first named applicant) as set out in the Application Form and to procure that your name (together with the name(s) of any other joint applicant(s)) is/are placed on the Register of Members of the Company in respect of such Ordinary Shares;
- (vi) that you are not relying on any information or representation other than those contained in this document and accordingly you agree that neither the Company nor any person responsible solely or jointly for this prospectus or any part thereof shall have any liability for any such other information or representation;
- (vii) that the cheque or banker's draft accompanying your Application Form will be honoured on first presentation and you agree that if it is not so honoured the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the relevant Offer Shares and may allot or sell them to some other person in which case you will not be entitled to any refund or payment in respect thereof; and
- (viii) that you have read and complied with paragraph 7 below.

7. Applications will not be accepted from persons resident in the United States of America, Canada or Australia and by completing and returning the Application Form the applicant warrants that he is not a person so resident. No person receiving a copy of this prospectus and/or an Application Form in any other territory (other than the United Kingdom) may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form, unless in the relevant territory such an invitation or offer could lawfully be made to him and such Application Form could lawfully be used without contravention of any regulation or other legal requirements. It is a condition of any application by any such person outside the United Kingdom that he has satisfied himself as to the full observance of the laws of any relevant territory, including the obtaining of any governmental or other consents which may be required and has observed any other formalities in such territory and paid any issue, transfer or other taxes due in such territory. The Company reserves the right to request applicants to produce evidence satisfactory to them of their right to apply for Offer Shares under the Offer and that such application would not result in the Company, its advisors or the Directors being in breach of any laws or regulations of the relevant jurisdiction.
8. The Company reserves the right to treat any application, which does not comply strictly with the terms and conditions of the application as nevertheless valid.
9. No letters of allotment or other renounceable or temporary documents of title or receipts will be issued in respect of accepted applications but share certificates will be despatched within 28 days of allotment.
10. Applications will be irrevocable.
11. If the value of your application is £10,000 or more (or is one of a series of linked applications the aggregate value of which equals or exceeds that amount), the verification of identity requirements of the Money Laundering Regulations 1993 will apply and verification of the identity of the applicant(s) may be required. A failure to provide the necessary evidence of identity may result in the rejection of your application or in delays in the despatch of a share certificate or the return of the application monies. In order to avoid this, you should ideally make payment by means of a cheque drawn by the person named in Box 3 of the Application Form. If this is not practicable and you use a cheque drawn by a third party or a building society cheque or a bankers' draft, you should:

- (i) if a building society cheque or banker's draft is used, ask the building society to endorse on the cheque or banker's draft the name and account number of the person whose building society or bank account is being debited. The bank or building society endorsement should be overlaid with the branch stamp;
- (ii) write the name and address of the person named in Box 3 of the Application Form on the back of the cheque, building society cheque or banker's draft; and
- (iii) if you are making the application as agent for one or more persons, indicate in the bottom of the Application Form whether you are a UK or EC regulated person or institution (e.g. a bank or broker) and specify your status. If you are not a UK or EC regulated person or institution, you should contact Ruegg & Co Limited and seek guidance.

If within a reasonable period of time following a request for verification of identity, Ruegg & Co Limited has not received satisfactory evidence, the Company may at its absolute discretion reject your application in which event the application monies will be returned without interest to the account at the drawee bank from which such monies emanate.

- 12. The receiving agents in relation to the Offer are Neville Registrars Ltd of Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA.
- 13. Any applicant requiring assistance in completing the Application Form should telephone Ruegg & Co Limited on 020 7584 3663 or fax them on 020 7584 4664.

NCI VEHICLE RESCUE PLC

(Incorporated in England with Registered Number 5052874)

Issue of up to 2,666,666 Ordinary Shares of 1p each at 15p per share payable in full on application

Application Form

This Application Form should be completed and sent to **Neville Registrars Ltd, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA**, together with your cheque or banker's draft payable to "Neville Registrars Ltd – a/c NCI" and crossed "Not Negotiable" for the amount payable (inserted in Box 2) so as to arrive as soon as possible. The subscription list will open at 10.00 a.m. on 4 June 2004 and may be closed at any time thereafter and in any event by 3.00 p.m. on 9 July 2004 (unless extended by the Directors).

IMPORTANT – Before completing this Application Form you should carefully read the Terms and Conditions and Procedure for Application set out in Part IV of the prospectus dated 1 June 2004 ("the Prospectus"). If you need further copies of the Prospectus, which includes an Application Form, please call **Ruegg & Co Limited on 020 7584 3663**.

Definitions used in the Prospectus shall have the same meaning in this Application Form.

This Application Form is only made available with and as an enclosure to the Prospectus. The entire contents of the section in the Prospectus headed "Terms and Conditions and Procedures for Application" is deemed to be included and set out in this Application Form.

Any person signing this Application Form under power of attorney must enclose the original power of attorney (or a copy certified by a solicitor) for inspection. If you post your Application Form, you are recommended to use first class post and allow at least two working days for delivery.

Box 1	I/We hereby irrevocably offer to subscribe for	Offer Shares at 15p each
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in NCI Vehicle Rescue plc on the terms and conditions set out in the Prospectus and subject to the Memorandum and Articles of Association of the Company or any smaller number of Ordinary Shares for which this application is accepted.

Note: Applications must be for a minimum of 8,000 shares at a subscription price of 15p per share and thereafter in multiples of 1,000 shares at 15p per share. Please use block capitals.

Box 2	I/We attach a cheque or banker's draft payable to Neville Registrars Ltd a/c NCI, for the total amount of (multiply the number of shares applied for by 15p sterling)	£
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Box 3 Please use block capitals	Forename/s (in full)		
	Surname (Mr / Mrs / Miss or title)		
	Address (in full)		
	Postcode	Daytime Telephone Number	
	Signature	Date:	E-mail:

The first or sole applicant should sign and complete Box 3. Fill in Boxes 4 and 5 only if you wish your shares to be registered in joint names. Insert in Box 4 the names and addresses of the further joint applicants, each of whose signature is required in Box 5.

PLEASE USE BLOCK CAPITALS

Box 4	Forename(s) in full	Forename(s) in full	Forename(s) in full
	Surname	Surname	Surname
	Mr, Mrs, Ms., Miss or title	Mr, Mrs, Ms., Miss or title	Mr, Mrs, Ms, Miss or title
	Address (in full)	Address (in full)	Address (in full)
	Postcode	Postcode	Postcode
Box 5	Signature	Signature	Signature
Box 6	If you do not wish to apply for EIS relief please tick this box		

I/We authorise /I /We do not authorise (delete whichever is inapplicable) the Company or its advisers to contact me by telephone in connection with any queries arising on my application.

If you have any queries relating to the completion of this Application Form, please telephone Ruegg & Co Limited on 0207 584 3663.