



COMPANY REGISTRATION NUMBER 05052874

NCI VEHICLE RESCUE PLC
ANNUAL REPORT
31 MARCH 2013

PKF Littlejohn LLP

Statutory Auditor
1 Westferry Circus
Canary Wharf
London
E14 4HD

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COMPANIES HOUSE

NCI VEHICLE RESCUE PLC
ANNUAL REPORT
YEAR ENDED 31 MARCH 2013

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NCI VEHICLE RESCUE PLC
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2013

The Board of Directors	Craig Duwell Neil Richards-Smith C Richard Jackson MBE DL Craig Astbury Richard Sharman Paul Barrett	(Operations Director) (Managing Director) (Non-Executive Chairman) (IT Director) (Sales Director) (Finance Director)
Company Secretary	Paul Barrett	
Principal Place of Business	4 th Floor, Clarendon House Victoria Avenue Harrogate HG1 1JD	
Registered office	4 th Floor, Clarendon House Victoria Avenue Harrogate HG1 1JD	
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD	
Corporate Advisors	Cairn Financial Advisers LLP 38 Bow Lane London EC4M 9AY	
Solicitors	Clarions Solicitors Limited Elizabeth House 13-19 Queen Street Leeds LS1 2TW	
Bankers	Lloyds TSB Bank PLC 8-11 Cambridge Street Harrogate HG1 1PQ	

NCI VEHICLE RESCUE PLC

CHAIRMAN'S STATEMENT

YEAR ENDED 31 MARCH 2013

Highlights

- Group Sales (gross premiums processed) up from £10.37m to £16.93m an increase of 63.2%
- Turnover (commission and fees) improved from £4.38m to £6.60m up 50.92%
- Gross profit increased by 67.8% from £2.44m to £4.10m
- Profit before tax up from £251,904 to £974,486, a substantial 287% increase
- Basic earnings per share up 223% from 1.99p to 6.43p
- Share price increased to 102.5 pence from 32.5 pence, up 215%

Chairman's Statement

The results demonstrate an excellent achievement by everyone at NCI, each department has made a significant contribution to a record year. We have increased every KPI by a substantial amount and continue to work together to achieve the growth we desire. We set ourselves high targets and through dedication and hard work continue to achieve and surpass them. Although we have done well this year, Management have implemented ambitious new targets for the period ahead that we are again determined to meet.

Breakdown

During the year we have both increased turnover and client numbers in the sector. Pricing has remained stable with claims loss ratios running in line with expectations and providing a contribution to group profits. The sector remains very competitive, however, we continue to increase our market share. NCI will continue to seek additional opportunities to grow both client numbers and turnover but only where we see that profitability being achieved.

Motor Insurance

Downward pressure on motor premiums has continued during the period making an increase in sales challenging. By developing new routes to market and additional motor products we have been able to build client numbers and considerably increase both turnover and sales. We remain cautious in our approach, as we seek to maintain profitable accounts which in turn will ensure support from our insurance partners. We continue to develop new markets for motor insurance and will work to bring on a new scheme every six months over the next two years. By diversifying our markets we believe this will give us the best spread of risks and reduce our dependence on single insurer schemes.

Pet Insurance

The pet insurance sector continues to expand and NCI are working on a number of new opportunities, which include a wholesale product that can be marketed by other organisations but controlled by NCI. The Board feels there is significant opportunity to market this product and we are working to take advantage of this by increasing our focus in this area. Our future expansion in the pet market is likely to result in this turnover exceeding the Breakdown sector within 18 months. This is a priority area for us to expand over the short to medium term as we believe it will offer healthy returns.

Claims Administration

A relatively new area of opportunity mentioned in last year's statement is the provision of claims services to other commercial entities outside the NCI Group. We have been marketing this service and are now seeing growth in our client base on claims services and will continue to develop relationships and add to turnover. As our operation works on a 24 hours basis and deals with emergency situations we are well placed to expand this service further. We intend to progress this part of the business and increase the number of clients using our services.

NCI VEHICLE RESCUE PLC

CHAIRMAN'S STATEMENT

YEAR ENDED 31 MARCH 2013

Outlook

The Board is targeting similar levels of growth over the next year in the majority of the key areas detailed above. Our medium term plan is well under way, and whilst representing a challenge, is eminently achievable. Our long-term goal to generate gross sales in excess of £50m, turnover (commission and fees) in excess of £11m and £3.5m pre-tax profits is ambitious. With numerous new schemes and routes to market in the pipeline we feel the future looks extremely promising.

I would like to thank the management team along with all our colleagues who have made an outstanding contribution this year. In addition we thank our supportive shareholder base. We are all looking forward to the working towards our long-term goals together.

A handwritten signature in black ink, appearing to read 'C Richard Jackson', with a long, sweeping horizontal line extending to the right.

C Richard Jackson MBE DL
Chairman
22 August 2013

NCI VEHICLE RESCUE PLC

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2013

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 March 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company was that of a holding company

The principal activities of the group are the provision of vehicle breakdown services and insurance services

A review of the group's activities and performance for the year and its prospects for 2013 to 2014 is contained in the chairman's statement in pages 2 and 3

FUTURE DEVELOPMENTS

A review of the business and future prospects is set out in the chairman's statement on pages 2 and 3

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £663,164 (2012 - £199,447) Particulars of dividends paid are detailed in note 11 to financial statements

FINANCIAL INSTRUMENTS

Details of the group's financial risk management objectives and policies are included in note 19 to the accounts

THE DIRECTORS AND THEIR INTERESTS

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows

	Ordinary Shares of £0.01 each	
	At 31 March 2013	At 1 April 2012
Craig Duwell	2,495,055	2,500,000
Neil Richards-Smith	2,480,770	2,500,000
Richard Sharman	530,475	493,333
C Richard Jackson	335,217	239,500
Craig Astbury	94,642	33,000
Paul Barrett	55,100	—

SUBSTANTIAL SHAREHOLDINGS

As at 31 March 2013, the directors were aware of the following shareholdings in excess of 3% in the company's issued share capital

	Number of ordinary shares	Percent of issued ordinary share capital
Craig Duwell	2,495,055	24 10%
Neil Richards-Smith	2,480,770	23 96%
Cardale Nominees Limited	786,503	7 60%
Woodland Capital Limited	699,999	6 76%
Pershing Nominees Limited	573,499	5 54%
Richard Sharman	530,475	5 12%
Giltspur Nominees Limited	502,500	4 85%
T Larman	433,333	4 18%

NCI VEHICLE RESCUE PLC

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2013

DIRECTORS

The Board comprises

Craig Duwell, Operations Director

Craig began his career in 1989 at Swinton Insurance in a junior position progressing to a 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. Craig left Swire Renshaw in March 2000 to set up NCI Consultants with Neil Richards-Smith.

Neil Richards-Smith, 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 Astbury, IT Director

Craig joined NCI Vehicle Rescue PLC in October 2008 as head of group IT. Prior to joining the company, Craig spent 4 years at Wonder Media Ltd as IT director where he worked as a consultant for a number of Insurance Brokers.

C Richard Jackson MBE, Non-Executive Chairman

Richard is a Yorkshire-based businessman and entrepreneur. His business life has been spent in clothing manufacturing and retailing, motor retail of both volume and specialist vehicles and more recently in the healthcare sector.

Richard Sharman, Sales Director

Richard joined the Board in September 2011 as Sales Director and is responsible for sales across all divisions and products. Richard has over twenty years' experience in the industry and brings significant knowledge to the group as head of the sales division.

Paul Barrett BA FCA, Finance Director

Paul joined the Board in September 2011 as Finance Director. He previously worked at KPMG, where he specialised in insurance and SMEs. After leaving KPMG, Paul worked for Bradford Pennine Insurance (a subsidiary of Sun Alliance) as Finance Manager. After working for the UK subsidiaries of large European corporates, he was appointed Finance Director of a local insurance broker in 2008 of which he remains a director.

NCI VEHICLE RESCUE PLC

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2013

FINANCIAL RISK MANAGEMENT

The group has a simple capital structure and its principal financial asset is cash. The group has no material exposure to market risk or currency risk, and the directors manage its exposure to liquidity risk by maintaining adequate cash reserves.

POLICY ON THE PAYMENT OF CREDITORS

The group's policy is to pay all creditors in accordance with contractual and legal obligations. Advantage is taken of available discounts for prompt payment whenever possible.

The rate, expressed in days, between the amounts invoiced to the group by its suppliers in the year and the amount owing to trade and other creditors at the year end was 28 days (2012: 28 days).

CORPORATE GOVERNANCE

The company's shares are traded on the ICAP Securities & Derivatives Exchange (ISDX). ISDX is a market operated by The ICAP Securities & Derivatives Exchange Limited incorporating a primary market for shares of small and medium-sized companies. The ICAP Securities & Derivatives Exchange Limited is a recognized Investment Exchange under the Financial Services and Markets Act 2000, a recognised Stock Exchange under S1005(1)(b) Income Tax Act 2007 and a member of the ICAP Group.

INTERNAL CONTROL

The directors acknowledge their responsibilities for the group's system of internal control. The board considers major business and financial risks. All strategic decisions are made by the board. Accepting that no system of control can provide absolute assurance against material misstatement or loss, the directors believe that the systems for internal control established within the group are appropriate to the business.

AUDIT COMMITTEE

The company has an audit committee which meets at least twice each year, comprising the directors and non-executive director of the company. The audit committee is responsible for ensuring that the group's financial performance is properly monitored, controlled and reported. It also meets the auditors and reviews reports from the auditors relating to accounts and internal control systems. The audit committee meets once a year with the auditors, without executive board members being present.

REMUNERATION COMMITTEE

The company has established a remuneration committee which is responsible for reviewing the performance of the executive directors, setting their remuneration, considering the grant of the options under any share option scheme and in particular the price per share and the application of performance standards which may apply to any such grant.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report and Chairman's Statement. The financial position of the company, its cashflows and liquidity position are disclosed within these financial statements. Note 19 to the financial statements includes the company's objectives for managing its capital, interest and currency risks and its financial risk management.

The company has considerable resource and the directors believe that the company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial accounts.

DIRECTORS' RESPONSIBILITIES

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

NCI VEHICLE RESCUE PLC

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2013

Company law requires directors to prepare financial statements for each year. Under that law, directors have elected to prepare group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the state of affairs of the group and company and the profit and loss of the group for that year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and that enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

DONATIONS

During the year the group made the following contributions

	2013 £	2012 £
Charitable	<u>9,187</u>	<u>-</u>

AUDITOR

The auditor, PKF Littlejohn LLP (formerly named Littlejohn LLP), will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Registered office
4th Floor, Clarendon House
Victoria Avenue
Harrogate
HG1 1JD

Signed by order of the Directors



NEIL RICHARDS-SMITH
Director

Approved by the Directors on 22 August 2013

NCI VEHICLE RESCUE PLC
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NCI VEHICLE RESCUE PLC
YEAR ENDED 31 MARCH 2013

We have audited the group and parent company financial statements ("the financial statements") of NCI Vehicle Rescue PLC for the year ended 31 March 2013 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 6 & 7, the directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion

- the financial statements give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2013 and of the group's profit for the year then ended,
- the group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- The group financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

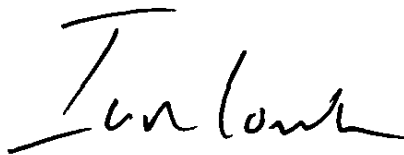
In our opinion the information given in the Directors' Report for the financial year for which the group financial statements are prepared is consistent with the group financial statements.

NCI VEHICLE RESCUE PLC
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NCI VEHICLE RESCUE PLC
YEAR ENDED 31 MARCH 2013

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



IAN COWAN
(Senior Statutory Auditor)
For and on behalf of
PKF LITTLEJOHN LLP
Statutory Auditor

22 August 2013

1 Westferry Circus
Canary Wharf
London
E14 4HD

NCI VEHICLE RESCUE PLC

GROUP PROFIT AND LOSS

31 MARCH 2013

	Note	2013 £	2012 £
GROUP TURNOVER	2	6,603,528	4,375,638
Cost of sales		(2,508,282)	(1,934,980)
GROSS PROFIT		4,095,246	2,440,658
Distribution costs		(128,433)	(94,512)
Administrative expenses		(2,751,800)	(2,098,887)
Other operating income	3	–	4,808
OPERATING PROFIT	4	1,215,013	252,067
Interest receivable		9,498	720
Amounts written off investments	7	(250,000)	–
Interest payable and similar charges	8	(25)	(883)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		974,486	251,904
Tax on profit on ordinary activities	9	(311,322)	(52,457)
PROFIT FOR THE FINANCIAL YEAR		663,164	199,447
ATTRIBUTABLE TO:			
Equity shareholders of the company		663,164	154,762
Minority interests		–	44,685
		663,164	199,447
EARNINGS PER SHARE			
Basic earnings per share	24	6 4p	2 0p
Diluted earnings per share	24	6 2p	1 9p

All of the activities of the group are classed as continuing
The group had no recognised gains or losses other than the profit for the year

The notes on pages 14 to 29 from part of these financial statements

NCI VEHICLE RESCUE PLC

GROUP BALANCE SHEET

31 MARCH 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Intangible assets	12	133,510	141,863
Tangible assets	13	164,709	126,242
Investments	14	–	250,000
		<u>298,219</u>	<u>518,105</u>
CURRENT ASSETS			
Debtors	15	1,444,277	689,324
Cash at bank and in hand		1,930,676	972,099
		<u>3,374,953</u>	<u>1,661,423</u>
CREDITORS Amounts falling due within one year	16	<u>(2,293,654)</u>	<u>(1,431,300)</u>
NET CURRENT ASSETS		<u>1,081,299</u>	<u>230,123</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,379,518</u>	<u>748,228</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	17	(19,980)	(21,291)
		<u>1,359,538</u>	<u>726,937</u>
CAPITAL AND RESERVES			
Called-up share capital	23	103,550	103,100
Share premium account	25	649,107	636,282
Share options reserve	25	41,894	40,647
Profit and loss account	25	564,987	(53,092)
SHAREHOLDERS' FUNDS	26	<u>1,359,538</u>	<u>726,937</u>

These financial statements were approved by the directors and authorised for issue by the board on 22 August 2013 and are signed on their behalf by


CRAIG DUWELL


NEIL RICHARDS-SMITH

Company Registration Number 05052874

The notes on pages 14 to 29 form part of these financial statements

NCI VEHICLE RESCUE PLC

BALANCE SHEET

31 MARCH 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	13	118,259	54,684
Investments	14	213,003	463,003
		<u>331,262</u>	<u>517,687</u>
CURRENT ASSETS			
Debtors	15	750,436	460,627
Cash at bank and in hand		67,196	173,419
		<u>817,632</u>	<u>634,046</u>
CREDITORS: Amounts falling due within one year	16	(193,181)	(283,775)
NET CURRENT ASSETS		<u>624,451</u>	<u>350,271</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>955,713</u>	<u>867,958</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	17	(9,325)	(4,054)
		<u>946,388</u>	<u>863,904</u>
CAPITAL AND RESERVES			
Called-up share capital	23	103,550	103,100
Share premium account	25	649,107	636,282
Share options reserve	25	41,894	40,647
Profit and loss account	25	151,837	83,875
SHAREHOLDERS' FUNDS	26	<u>946,388</u>	<u>863,904</u>

These financial statements were approved by the directors and authorised for issue by the board on 22 August 2013 and are signed on their behalf by


CRAIG DUWELL


NEIL RICHARDS-SMITH

Company Registration Number 05052874

The notes on pages 14 to 29 form part of these financial statements

NCI VEHICLE RESCUE PLC
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2013

	Note	2013 £	2012 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	27	1,159,238	450,818
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	27	9,473	(163)
TAXATION	27	(45,122)	55,013
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	27	(97,509)	(321,207)
EQUITY DIVIDENDS PAID		(51,550)	-
CASH INFLOW BEFORE FINANCING		<u>974,530</u>	<u>184,461</u>
FINANCING	27	(15,953)	14,433
INCREASE IN CASH	27	<u><u>958,577</u></u>	<u><u>198,894</u></u>

The notes on pages 14 to 29 form part of these financial statements

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention, except where noted below, and in accordance with applicable accounting standards

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings made up to 31 March 2013. The group also consolidates the group share of the results of associated undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over its expected useful life from the year of acquisition. The results of companies acquired or disposed of are included in the consolidated profit and loss account after or up to the date that control passes respectively. Profits or losses on intra group transactions are eliminated on consolidation.

Turnover

Turnover represents brokerage, coverholder's commission and profit commission net of any commission payable to third parties. Turnover represents brokerage, coverholder's commission and profit commission arising on the placement of insurance contracts by the company.

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

Coverholder's commission arising from the exercise of an underwriting agency by the company is recognised when the right to such commission is established through a contract.

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

Cost of sales

Cost of sales is the total amounts paid or payable in respect of breakdown assistance obligation, including an estimate of the future amounts payable under assistance contracts in force at the year end.

Insurance Debtors and Creditors

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

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

1 ACCOUNTING POLICIES *(continued)*

Goodwill and Amortisation

Goodwill is the difference between amounts paid in the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

In accordance with financial reporting standard numbers 10 and 11, the carrying value of goodwill is reviewed where there are indications of impairment, on the basis stipulated in financial reporting standard 11, and adjusted to its recoverable amount.

Goodwill is being amortised over its useful life of 20 years on a straight line basis.

Dividends payable

Dividends on ordinary shares are recognised in the group's financial statements in the period in which the dividends are approved by the shareholders of the Company (generally in the case of the final dividend) or paid (in the case of interim dividends).

Tangible fixed assets

Tangible fixed assets are held at historical cost net of depreciation and provisions for impairment.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset, less any estimated residual value, evenly over its expected useful life. The expected useful lives of the principal categories are:

Improvements to leasehold property	- Over the period of the lease
Motor vehicles	- 25% reducing balance
Equipment	- 25% reducing balance
Website development	- 5 years

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Taxation

Current tax including UK corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax in the future at the balance sheet date.

Timing differences are differences between taxable profits and results as stated in the financial statements that arise from the inclusion of gains and losses in periods different from those in which they are recognised in the financial statements.

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

1 ACCOUNTING POLICIES *(continued)*

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Share based payments

In accordance with FRS 20 "Share-based payment", the Group reflects the economic cost of awarding shares and share options to employees by recording an expense in the profit and loss account equal to the fair value of the benefit awarded, fair value being determined by reference to option pricing models. The expense is recognised in the profit and loss account over the vesting period of the award

Pensions

The group operates a money purchase scheme. The pension charge represents the amounts payable by the group to the fund in respect of that year

Financial instruments

Investments

All investments are initially recorded at cost, less any provision for impairment. Cost represents being the fair value of the consideration given including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting

Trade and other debtors

Trade and other debtors are recognised and carried forward at amounts receivable less provisions for any doubtful debts. Bad debts are written off when identified as such

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

2 TURNOVER

The turnover and profit before tax are attributable to the principal activities of the group
An analysis of turnover is given below

	2013 £	2012 £
United Kingdom	<u>6,603,528</u>	<u>4,375,638</u>

SEGMENTAL ANALYSIS

Class of Business	Vehicle Rescue		Insurance		Group	
	2013 £	2012 £	2013 £	2012 £	2013 £	2012 £
Turnover	2,909,299	2,468,629	3,694,229	1,906,109	6,603,528	4,375,638
Profit / (loss) on ordinary activities before taxation	146,519	(187,869)	827,967	439,773	974,486	251,904
Segment net assets	843,193	406,025	516,345	330,912	1,359,538	726,937

The segments above include their respective share of the central overheads

3. OTHER OPERATING INCOME

	2013 £	2012 £
Other operating income	<u>–</u>	<u>4,808</u>

4. OPERATING PROFIT

Operating profit is stated after charging

	2013 £	2012 £
Amortisation	8,353	8,104
Depreciation of owned fixed assets	57,061	37,590
Loss on disposal of fixed assets	1,981	10,794
Auditor's remuneration		
- as auditor of parent company	12,425	26,800
- as auditor of subsidiary companies	35,960	–
Operating lease rentals payable – land and buildings	<u>63,601</u>	<u>57,400</u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year was

	2013 No	2012 No
Administrative staff	65	48
Management	<u>6</u>	<u>4</u>
	<u>71</u>	<u>52</u>

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

5. PARTICULARS OF EMPLOYEES *(continued)*

The aggregate payroll costs of the above were

	2013	2012
	£	£
Wages and salaries	1,534,922	1,133,449
Social security costs	139,595	101,510
Pension costs	2,871	–
	<u>1,677,388</u>	<u>1,234,959</u>

6. DIRECTORS' EMOLUMENTS

The Directors' aggregate emoluments in respect of qualifying services were

	2013	2012
	£	£
Emoluments receivable (including benefits in kind)	432,385	349,015
Pension	2,249	–
	<u>434,634</u>	<u>349,015</u>

Remuneration of highest paid director:

	2013	2012
	£	£
Emoluments receivable (including benefits in kind)	<u>103,491</u>	<u>107,007</u>

During the year 119,950 share options were granted to directors at an exercise price of £0.495 per share and 45,000 share options were exercised to a director at a price of £0.295 per share

7. AMOUNTS WRITTEN OFF INVESTMENTS

	2013	2012
	£	£
Amount written off investments	<u>250,000</u>	<u>–</u>

During the previous year the company together with other investors set up Follifoot Lane Limited to purchase preference shares in Enterprise Insurance PLC in order to create additional insurance capacity for the Group. It appears unlikely that this investment will realise a profit and that preference share investment might not be recoverable. The directors having taken into account the available information have decided to fully write-off the investment. Any subsequent recovery of the investment will be reflected in future years' financial statements.

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Interest payable on bank borrowing	–	883
Other similar charges payable	25	–
	<u>25</u>	<u>883</u>

9 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013	2012
	£	£
Current tax		
UK Corporation tax based on the results for the year at 24% (2012 – 26%)	306,732	42,246
Under / (over) provision in prior year	5,901	(491)
Total current tax	<u>312,633</u>	<u>41,755</u>
Deferred tax		
Origination and reversal of timing differences (note 17)	(1,311)	10,702
Total current tax	<u>311,322</u>	<u>52,457</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24% (2012 - 26%)

	2013	2012
	£	£
Profit on ordinary activities before taxation	<u>974,486</u>	<u>251,904</u>
Profit on ordinary activities at standard rate of tax	233,877	65,495
Expenses not deductible for tax purposes	75,096	3,507
Capital allowances for period in excess of depreciation	335	(8,644)
Under / (over) provision in prior year	5,901	(491)
Rate difference	(1,223)	(4,216)
Losses utilised	–	(18,643)
Other reconciling items	(1,353)	3,765
Total current tax (note 8(a))	<u>312,633</u>	<u>41,755</u>

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

10. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006 the profit and loss of the parent company is not presented as part of these financial statements

The profit dealt with in the financial statements of the parent company was £113,047 (2012 – loss £43,110)

11. DIVIDENDS

Equity dividends

	2013	2012
	£	£
Paid		
Equity dividends	<u>51,550</u>	<u>–</u>

The Directors propose a final dividend of £124,260 (1 2 pence per share) These dividends are subject to approval by shareholders at the Annual General Meeting and therefore have not been included as a liability in these financial statements in accordance with accounting standards

12 INTANGIBLE FIXED ASSETS

Group

	Goodwill
	£
COST	
At 1 April 2012	167,068
Additions	<u>–</u>
At 31 March 2013	<u>167,068</u>
 AMORTISATION	
At 1 April 2012	25,205
Charge for the year	<u>8,353</u>
At 31 March 2013	<u>33,558</u>
 NET BOOK VALUE	
At 31 March 2013	<u>133,510</u>
At 31 March 2012	<u>141,863</u>

Goodwill arose on the acquisition of NCI Consultants Limited and the purchase of the remaining 25% share capital of NCI Insurance Services Limited The goodwill is being amortised evenly over the directors' estimate of its expected useful life of 20 years

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
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13 TANGIBLE FIXED ASSETS

Group	Improvements to Leasehold Property £	Website Development £	Motor Vehicles £	Equipment £	Total £
COST					
At 1 April 2012	43,534	87,710	7,118	121,597	259,959
Additions	75,669	–	–	24,864	100,533
Disposals	–	–	–	(41,836)	(41,836)
At 31 March 2013	119,203	87,710	7,118	104,625	318,656
DEPRECIATION					
At 1 April 2012	16,455	33,632	6,572	77,058	133,717
Charge for the year	23,841	15,143	546	17,531	57,061
On disposals	–	–	–	(36,831)	(36,831)
At 31 March 2013	40,296	48,775	7,118	57,758	153,947
NET BOOK VALUE					
At 31 March 2013	78,907	38,935	–	46,867	164,709
At 31 March 2012	27,079	54,078	546	44,539	126,242

Company	Improvements to Leasehold Property £	Equipment £	Total £
COST			
At 1 April 2012	43,534	47,752	91,286
Additions	75,669	24,864	100,533
At 31 March 2013	119,203	72,616	191,819
DEPRECIATION			
At 1 April 2012	16,455	20,147	36,602
Charge for the year	23,841	13,117	36,958
At 31 March 2013	40,296	33,264	73,560
NET BOOK VALUE			
At 31 March 2013	78,907	39,352	118,259
At 31 March 2012	27,079	27,605	54,684

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

14 INVESTMENTS

Group	Associated undertakings
	£
COST	
At 1 April 2012 and 31 March 2013	<u><u>250,000</u></u>
AMOUNTS WRITTEN OFF	
Written off in year	<u><u>250,000</u></u>
At 31 March 2013	<u><u>250,000</u></u>
NET BOOK VALUE	
At 31 March 2013	<u><u>-</u></u>
At 31 March 2012	<u><u>250,000</u></u>

Company	Group companies	Associated undertakings	Total
	£	£	£
COST			
At 1 April 2012 and 31 March 2013	<u><u>213,003</u></u>	<u><u>250,000</u></u>	<u><u>463,003</u></u>
AMOUNTS WRITTEN OFF			
Written off in year	<u><u>-</u></u>	<u><u>250,000</u></u>	<u><u>250,000</u></u>
At 31 March 2013	<u><u>-</u></u>	<u><u>250,000</u></u>	<u><u>250,000</u></u>
NET BOOK VALUE			
At 31 March 2013	<u><u>213,003</u></u>	<u><u>-</u></u>	<u><u>213,003</u></u>
At 31 March 2012	<u><u>213,003</u></u>	<u><u>250,000</u></u>	<u><u>463,003</u></u>

Subsidiary / Associated undertakings	Holding	Proportion of voting rights and shares held	Nature of business
All held by the company			
NCI Consultants Limited	Ordinary shares	100%	Vehicle Rescue
NCI Insurance Services Limited	Ordinary shares	100%	Insurance Broking
Vehicle Rescue Network Limited	Ordinary shares	100%	Vehicle Rescue
Sterling Rock Limited	Ordinary shares	100%	Vehicle Rescue
Follifoot Lane Limited	Ordinary shares	33%	Investment

Follifoot Lane Limited did not trade during the year under review and as disclosed in note 7 to the financial statements, the investment in the company has been fully impaired

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

15. DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	1,244,256	606,095	–	296
Amounts owed by group undertakings	–	–	656,972	432,679
VAT recoverable	–	–	7,979	–
Other debtors	17,087	5,682	523	–
Directors current accounts	1,407	2,357	50	999
Prepayments and accrued income	181,527	75,190	84,912	26,653
	<u>1,444,277</u>	<u>689,324</u>	<u>750,436</u>	<u>460,627</u>

The directors benefited from overdrawn loan accounts during the year. At the year end, Mr N Richards-Smith owed £1,357 (2012 - £2,079), Mr C Duwell owed £nil (2012 - £122) and Mr R Sharman owed £50 (2012 - £156). There was no interest charged on these overdrawn accounts.

16 CREDITORS: Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	952,023	639,168	53,692	28,955
Amounts owed to group undertakings	–	–	–	184,115
Other creditors including taxation and social security				
Corporation tax	309,757	42,246	–	–
PAYE and social security	143,054	71,240	64,909	18,541
Other creditors	104,942	29,228	9,709	5,698
Accruals and deferred income	783,878	649,418	64,871	46,466
	<u>2,293,654</u>	<u>1,431,300</u>	<u>193,181</u>	<u>283,775</u>

17. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Provision brought forward	21,291	10,589	4,054	3,476
Increase / (decrease) in provision (note 9)	(1,311)	10,702	5,271	578
Provision carried forward	<u>19,980</u>	<u>21,291</u>	<u>9,325</u>	<u>4,054</u>

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

17. DEFERRED TAXATION *(continued)*

The group's liability for deferred taxation consists of the tax effect of timing differences in respect of

Group	2013		2012	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	26,252	–	28,086	–
Tax losses available	(6,272)	–	(6,795)	–
	<u>19,980</u>	<u>–</u>	<u>21,291</u>	<u>–</u>

The company's liability for deferred taxation consists of the tax effect of timing differences in respect of

Company	2013		2012	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	15,597	–	10,849	–
Tax losses available	(6,272)	–	(6,795)	–
	<u>9,325</u>	<u>–</u>	<u>4,054</u>	<u>–</u>

18. SHARE-BASED PAYMENTS

On the 5 February 2013, 119,950 new share options were granted to the directors, on 11 November 2009, 233,333 share options were granted to the directors and on the 24 March 2010, 50,000 share options were granted to the chairman, Mr R Jackson

On the 19 March 2013, a director exercised their option over 45,000 shares

Details of the number of share options and the weighted average exercise price (WAEP) outstanding as at the year end are as follows

Grant Date	Expiry Date	No. of Ordinary Shares and Price			Total
		29.5p	30.0p	49.5p	
11 Nov 2009	11 Nov 2019	188,333	–	–	188,333
24 Mar 2010	24 Mar 2020	–	50,000	–	50,000
5 Feb 2013	4 Feb 2023	–	–	119,950	119,950
		188,333	50,000	119,950	358,283

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

18. SHARE-BASED PAYMENTS *(continued)*

These options have been valued, using the Black Scholes method, using the following assumptions

Number of instruments granted	188,333	50,000	119,950
Grant date	11 Nov 2009	23 March 2010	5 February 2013
Expiry dated	11 Nov 2019	23 March 2020	4 February 2023
Contract term (years)	10	10	10
Exercise price	29 5p	30p	49 5p
Share price at granting	30 5p	34 5p	49 5p
Annual risk free rate (%)	2%	2%	2%
Annual expected dividend yield (%)	0%	0%	0%
Volatility	50%	50%	50%
Fair value per grant instrument	16 93p	20 38p	30 17p

The company recognised a charge to expenses of £7,712 (2012 £16,367) relating to equity-settled share-based payment transactions during the year

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group has a simple capital structure and it's principal financial asset is cash

The group's objective when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, maintain an optimal structure to reduce the cost of capital and ensure regulatory capital requirements are kept

In order to maintain or adjust the capital structure, the group may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares

In addition, various other financial assets and liabilities (e g trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations

The group has no material exposure to market risk or currency risk

The group monitors credit risk closely and considers that its current policy of credit checks meets its objectives of managing exposure to credit risk

The group has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations

20 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2013 the group had annual commitments under non-cancellable operating leases as set out below

Group and Company	Land and buildings	
	2013	2012
	£	£
Operating leases which expire		
Within 1 year	–	26,705
Within 2 to 5 years	88,254	72,408
	88,254	99,113

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

21 TRANSACTIONS WITH THE DIRECTORS

	Neil Richards-Smith	Craig Duwell	Richard Sharman	Craig Astbury
	£	£	£	£
Opening balance	2,079	122	156	–
Advances in year	5,000	5,000	5,000	–
Private expenses	1,120	722	14,751	13,052
Amounts repaid	(6,842)	(5,845)	(19,857)	(13,052)
Closing balance	<u>1,357</u>	<u>–</u>	<u>50</u>	<u>–</u>

During the year the company paid £32,894 to Barrett Laycock Financial Management Limited a company owned by Paul Barrett

22. RELATED PARTY TRANSACTIONS

The group was under the control of the directors throughout the current and previous year. Mr N Richards-Smith, Mr C Duwell, Mr C Astbury and Mr R Sharman are the managing, operations, IT and sales directors respectively and together in aggregate the majority shareholders.

The company has claimed the exemption available under Financial Reporting Standard 8 "Related Party Disclosures", from disclosing transactions with other Group entities where all subsidiaries that are party to the transaction are wholly owned by a member of the Group.

23 SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £0.01 each	<u>10,354,998</u>	<u>103,550</u>	<u>10,309,998</u>	<u>103,100</u>

During the year the company issued 45,000 ordinary £0.01 shares with a nominal value of £450 on the exercise of options at £0.295 per share.

24 EARNINGS PER SHARE

The earnings per share is based upon a profit of £663,164 (2012: £199,447) and the weighted average number of shares of 10,313,748 (2012: 10,022,220).

The diluted earnings per share is based upon a profit of £663,164 (2012: £199,447) and on 10,672,031 (2012: 10,305,553) ordinary shares calculated as follows:

	2013 No	2012 No
Basic weighted average number of ordinary shares	10,313,748	10,022,220
Dilutive potential ordinary shares		
Employee share options	358,283	283,333
	<u>10,672,031</u>	<u>10,305,553</u>

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

25 RESERVES

Group	Share premium account £	Share options reserve £	Profit and loss account £
Balance as at 1 April 2012	636,282	40,647	(53,092)
Profit for the year	–	–	663,164
Equity dividends	–	–	(51,550)
Purchase of share options in the year	–	(6,465)	6,465
Share premium arising in shares issued	12,825	–	–
Recognition of equity-settled share-based payments in the year	–	7,712	–
Balance as at 31 March 2013	<u>649,107</u>	<u>41,894</u>	<u>564,987</u>

Company	Share premium account £	Share options reserve £	Profit and loss account £
Balance as at 1 April 2012	636,282	40,647	83,875
Profit for the year	–	–	113,047
Equity dividends	–	–	(51,550)
Purchase of share options in the year	–	(6,465)	6,465
Share premium arising in shares issued	12,825	–	–
Recognition of equity-settled share-based payments in the year	–	7,712	–
Balance as at 31 March 2013	<u>649,107</u>	<u>41,894</u>	<u>151,837</u>

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2013 £	2012 £
Profit for the financial year	663,164	154,762
New ordinary share capital subscribed	450	4,933
Share premium arising in shares issued	12,825	143,067
Equity dividends (note 11)	(51,550)	–
Purchase of share options in the year	–	–
Adjustment to minority interest	–	(477)
Recognition of equity-settled share-based payments in the year	7,712	16,367
Net addition to shareholders' funds	<u>632,601</u>	<u>318,652</u>
Opening shareholders' funds	<u>726,937</u>	<u>408,285</u>
Closing shareholders' funds	<u>1,359,538</u>	<u>726,937</u>

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS *(continued)*

Company	2013	2012
	£	£
Profit / (Loss) for the financial year	113,047	(43,110)
New share capital subscribed	450	4,933
Share premium arising in shares issued	12,825	143,067
Equity dividends (note 11)	(51,550)	–
Purchase of share options in the year	–	–
Recognition of equity-settled share-based payments in the year	7,712	16,367
Net addition to shareholders' funds	82,484	121,257
Opening shareholders' funds	863,904	742,647
Closing shareholders' funds	946,388	863,904

27 NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Operating profit	1,215,013	252,067
Amortisation	8,353	8,104
Depreciation	57,061	37,590
Loss on disposal of fixed assets	1,981	10,794
(Increase) in debtors	(754,953)	(507,054)
Increase in creditors	624,071	632,950
Salary costs (non cash) in respect of share based payments	7,712	16,367
Net cash inflow from operating activities	1,159,238	450,818

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2013	2012
	£	£
Interest received	9,498	720
Interest paid	(25)	(883)
Net cash inflow / (outflow) from returns on investments and servicing of finance	9,473	(163)

TAXATION

	2013	2012
	£	£
Taxation (paid) / recovered	(45,122)	55,013

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
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27 NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

CAPITAL EXPENDITURE

	2013 £	2012 £
Payments to acquire tangible fixed assets	(100,533)	(71,411)
Acquisition of fixed asset investments	—	(250,000)
Receipts from sale of fixed assets	3,024	204
Net cash outflow from capital expenditure	<u>(97,509)</u>	<u>(321,207)</u>

FINANCING

	2013 £	2012 £
Issue of share capital including premium	13,275	—
Net (outflow) / inflow from other short-term creditors	(29,228)	14,433
Net cash (outflow) / inflow from financing	<u>(15,953)</u>	<u>14,433</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2013 £	2012 £
Increase in cash in the year	958,577	198,894
Net inflow / (outflow) from other short-term creditors	29,228	(14,433)
Change in net funds	987,805	184,461
Net funds at 1 April 2012	942,871	758,410
Net funds at 31 March 2013	<u>1,930,676</u>	<u>942,871</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2012 £	Cash flows £	At 31 Mar 2013 £
Net cash			
Cash in hand and at bank	972,099	958,577	1,930,676
Debt			
Debt due within 1 year	(29,228)	29,228	—
Net funds	<u>942,871</u>	<u>892,800</u>	<u>1,930,676</u>

28 ULTIMATE CONTROLLING PARTY

The group was under the control of the directors throughout the current and previous year. Mr N Richards-Smith, Mr C Duwell, Mr C Astbury and Mr R Sharman are the managing, operations, IT and sales directors respectively and together in aggregate the majority shareholders.