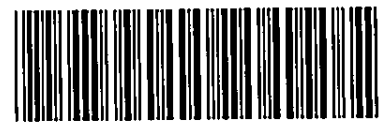




COMPANY REGISTRATION NUMBER 05052874

**NCI VEHICLE RESCUE PLC  
FINANCIAL STATEMENTS  
31 MARCH 2009**

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COMPANIES HOUSE

**Howard Matthews Partnership**

Chartered Accountants & Registered Auditors

Queensgate House  
23 North Park Road  
Harrogate  
North Yorkshire  
HG1 5PD

**NCI VEHICLE RESCUE PLC**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2009**

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**NCI VEHICLE RESCUE PLC**  
**OFFICERS AND PROFESSIONAL ADVISERS**

<b>The Board of Directors</b>	Craig T Duwell (Operations Director) Neil M Richards-Smith (Managing Director) Mark N Watson-Mitchell (Non-Executive Chairman)
<b>Company Secretary</b>	David J Webb FCIS
<b>Principal Place of Business</b>	2 <sup>nd</sup> Floor, Harrogate House Parliament Street Harrogate HG1 2RE
<b>Registered office</b>	44 Phipps Hatch Lane Enfield Middlesex EN2 0HN
<b>Auditors</b>	Howard Matthews Partnership Chartered Accountants & Registered Auditors Queensgate House 23 North Park Road Harrogate North Yorkshire HG1 5PD
<b>Corporate Advisors</b>	Ruegg & Co Limited 39 Cheval Place London SW7 1EW
<b>Solicitors</b>	Edwin Coe LLP 2 Stone Buildings Lincoln's Inn London WC2A 3TH
<b>Bankers</b>	The Royal Bank of Scotland 27 Park Row Leeds LS1 5QB

# NCI VEHICLE RESCUE PLC

## CHAIRMAN'S STATEMENT

YEAR ENDED 31 MARCH 2009

### Highlights

- Group turnover increased from £2,082,564 to £3,498,866, an impressive £1,416,302 uplift representing 68% growth.
- Gross profit of £1,193,955 (£750,023 in 2008) which is an additional £443,932 equating to 59% increase.
- Profits before tax up by 72% to £165,358 (£96,138 in 2008).
- Post tax profits £182,242 which is an increase of £88,141 and represents 94% uplift.
- Purchase of Vehicle Rescue Network Ltd.
- Additional new contracts added throughout the year bringing additional income.
- Successful staff recruitment in line with increase in turnover.
- Two new projects in advanced development that will bring good additional turnover and profit.

### Review of operations

The year 2008 to 2009 was an important year for the development of the company. We have continued to invest in the future of the company whilst increasing turnover, profit and the client base considerably. The breakdown sales have increased by 54% in the period whilst the insurance division increased by 120%, again this is proof that the investments made over the last few years are reaping rewards throughout the group. Our insurance division after an initial period with lower premiums being experienced has targeted higher premiums with greater profit margins and continues to develop new areas of business. Profits continue to improve generally although as expected the Insurance division is still waiting for its full potential to be shown but operated within its budgeted loss making position.

The purchase of VRNL (Vehicle Rescue Network Limited) was a major step forward for the group and allows us to control both customer service levels and claims costs. The importance of this purchase should not be underestimated. By controlling claims costs and successfully excluding fraudulent claims we can insulate our premium structure and protect against rate increases in the future. One of the areas we always had as a concern was our insurance providers deciding to increase premiums; we are now not subject to this concern.

As we have developed our IT infrastructure and increased our reliance on Online trading the Board felt it prudent to bring on board an experienced IT Director who can help us continue to develop. We were able to persuade our then IT consultant to join us on a permanent basis and we are pleased that Craig Astbury has agreed to become the groups IT Director.

Due to the additional workload produced by the introduction of the new companies we have also employed a full time accounts manager to deal with all aspects of the day to day running of the Groups businesses. Joyce Sedcole has over 20 years accounting experience in a variety of industries both as an employee and as a consultant.

### Prospects

Prospects across the group are excellent and we find ourselves in a very good position to move forward at pace. Infrastructures are in place and a recent recruitment drive gives us a sound base to continue the growth we have seen over recent periods.

**Breakdown Sales** will continue to see healthy growth throughout the period with development of further internet sources along with business to business schemes. We will also start to test other areas that we feel are appropriate at the time

Our **Insurance Division** is experiencing healthy sales each month and is now seeing 7 times the sales we had in the same period last year. Another major factor is in the third and fourth quarter of the 2009/2010 financial year we will see the first volume renewals start to filter through. In essence we should see in excess of 1,100 policies per month being transacted which will continue to grow throughout the remainder of the period.

# **NCI VEHICLE RESCUE PLC**

## **CHAIRMAN'S STATEMENT**

**YEAR ENDED 31 MARCH 2009**

**VRNL** will prove invaluable to the group over the coming periods and has already shown good profits. By having our own network of agents/recovery operators we can also offer VRNL services to other parties who wish to offer breakdown assistance but do not have a solution. A prime example of this would be insurance companies who wish to underwrite a breakdown policy but do not have any systems in place to provide the service to the customer, likewise with insurance brokers.

New areas of development include Home Insurance, Vehicle Warranties and Legal Assistance services. All of the products mentioned fall in line with our client base and areas of expertise and will help the growth of the company continue.

# NCI VEHICLE RESCUE PLC

## THE DIRECTORS' REPORT

### YEAR ENDED 31 MARCH 2009

The Directors present their report and the financial statements of the group for the year ended 31 March 2009.

#### 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 2009 to 2010 is contained in the chairman's statement.

#### FUTURE DEVELOPMENTS

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

#### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £182,242. Particulars of dividends paid are detailed in note 10 to the financial statements.

#### FINANCIAL INSTRUMENTS

Details of the group's financial risk management objectives and policies are included in note 21 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 2009	At 1 April 2008
Craig Duwell	2,500,000	2,500,000
Neil Richards-Smith	2,500,000	2,500,000
Mark Watson-Mitchell (Non Executive Chairman)	738,000	612,000

Mark Watson-Mitchell is a major shareholder and director of Addworth Plc who control the 738,000 shares noted above at 31 March 2009.

At the Annual General Meeting on 29 September 2009, Mark Watson-Mitchell retires pursuant to the Articles of Association and, being eligible, offers himself for re-election.

#### SUBSTANTIAL SHAREHOLDINGS

As at 31 March 2009, 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	2,500,000	26.98
Neil Richards-Smith	2,500,000	26.98
Addworth plc#	738,000	7.96
Pershing Nominees Limited	484,999	5.23
T Larman	433,333	4.68
Woodland Capital Limited	433,333	4.68

# Mark Watson-Mitchell is also a Director of Addworth plc.

# **NCI VEHICLE RESCUE PLC**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 MARCH 2009**

### **DIRECTORS**

The Board comprises:

Craig Duwell, 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. 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.

Mark Watson-Mitchell, Non-Executive Chairman

Mark, who previously worked for four firms of stockbrokers and a fund management business, has gained experience as a director of a number of PLUS-quoted and AIM listed companies.

He is the Executive Chairman of Insurance Ventures Plc and he is also a Director of a number of private companies.

### **FINANCIAL RISK MANAGEMENT**

The principal current assets of the business are cash, therefore the principal financial instruments employed by the group are cash and the Directors ensure that the business maintains surplus cash reserves to minimise liquidity risk.

The primary risk and uncertainty in the market in the short to medium term is the downturn in the global financial markets. The directors are of the opinion that the Group is well positioned to manage this uncertainty being insulated through access to significant cash reserves generated during the period under review.

### **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 30 days (2008: 16 days).

# **NCI VEHICLE RESCUE PLC**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 MARCH 2009**

### **CORPORATE GOVERNANCE**

The Company's shares are traded on the PLUS-quoted Market. PLUS-quoted is a market operated by PLUS Markets PLC incorporating a primary market for the shares of small and medium companies (known-as PLUS-quoted securities). PLUS-quoted securities are not listed and the market is not classified as a regulated market under EU financial services law.

### **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 decided by the Board. Accepting that no systems of control can provide absolute assurance against material misstatement or loss, the Directors believe that the established systems for internal control 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**

After making enquiries, the Directors have formed a judgment at the time of approving the accounts that there is a reasonable expectation that the Company and Group have adequate resources to continue its operations for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the accounts.

### **DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the group for that year. In preparing these financial statements, the Directors are required to:

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



# NCI VEHICLE RESCUE PLC

## THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2009

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. 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 of which the Group's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### AUDITOR

The Company's auditors, TLP Chartered Accountants, have resigned their position as at 30 June 2009. Under the ICAEW's Ethical Standards an auditor cannot provide non-audit services to a listed client. As a result, TLP have resigned as auditors.

A resolution to re-appoint Howard Matthews Partnership as auditor for the ensuing year will be proposed at the Annual General Meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
44 Phipps Hatch Lane  
Enfield  
Middlesex  
EN2 0HN

Signed by order of the Directors



N Richards-Smith  
Director

Approved by the Directors on 5 August 2009

**NCI VEHICLE RESCUE PLC**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**NCI VEHICLE RESCUE PLC**  
**YEAR ENDED 31 MARCH 2009**

We have audited the Group and parent company financial statements ("the financial statements") of NCI Vehicle Rescue Plc for the year ended 31 March 2009 which comprise the Consolidated Profit and Loss Account, Group Balance Sheet and Company Balance Sheet, Group Cash Flow Cash Flow Statement and the related notes. These financial statements have been prepared on the basis of the accounting policies set out on pages 15 to 18.

This report is made solely to the Company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Chairman's statement that is cross referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

# NCI VEHICLE RESCUE PLC

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NCI VEHICLE RESCUE PLC *(continued)*

YEAR ENDED 31 MARCH 2009

We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the parent company's affairs as at 31 March 2009 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Howard Matthews Partnership.

Queensgate House  
23 North Park Road  
Harrogate  
North Yorkshire  
HG1 5PD

Howard Matthews Partnership  
Chartered Accountants  
& Registered Auditors

~~5 August 2009~~

6 August 2009

**NCI VEHICLE RESCUE PLC**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2009**

	Note	2009 £	2008 (restated) £
<b>GROUP TURNOVER</b>	<b>2</b>	<b>3,498,866</b>	<b>2,082,564</b>
Cost of sales		<u>2,304,911</u>	<u>1,332,541</u>
<b>GROSS PROFIT</b>		<b>1,193,955</b>	<b>750,023</b>
Distribution costs		<b>285,543</b>	176,845
Administrative expenses		<b>762,404</b>	481,568
Other operating income	<b>3</b>	<b>(12,380)</b>	–
<b>OPERATING PROFIT</b>	<b>4</b>	<b>158,388</b>	<b>91,610</b>
Interest receivable		<b>8,139</b>	6,528
Interest payable and similar charges	<b>7</b>	<b>(1,169)</b>	(2,000)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>165,358</b>	<b>96,138</b>
Tax on profit on ordinary activities	<b>8</b>	<b>(16,884)</b>	2,037
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>182,242</u></b>	<b><u>94,101</u></b>
<b>EARNINGS PER SHARE</b>			
Basic earnings per share	<b>25</b>	<b><u>2.0p</u></b>	<b><u>1.0p</u></b>
Diluted earnings per share	<b>25</b>	<b><u>1.5p</u></b>	<b><u>0.8p</u></b>

All of the activities of the Group are classed as continuing.

The Group has no recognised gains or losses other than the results for the year as set out above.

The Company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

The notes on pages 15 to 33 form part of these financial statements.

**NCI VEHICLE RESCUE PLC**  
**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 31 MARCH 2009**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>(restated)</b>
		<b>£</b>
Profit for the financial year attributable to the shareholders of the parent company	<b>182,242</b>	94,101
Total recognised gains and losses relating to the year	<b>182,242</b>	94,101
Prior year adjustment (see note 11)	<b>(32,762)</b>	(28,054)
Total gains and losses recognised since the last annual report	<b>149,480</b>	66,047

The notes on pages 15 to 33 form part of these financial statements.

# NCI VEHICLE RESCUE PLC

## GROUP BALANCE SHEET

31 MARCH 2009

	Note	2009 £	2008 (restated) £
<b>FIXED ASSETS</b>			
Intangible assets	12	59,948	48,681
Tangible assets	13	56,222	35,186
		<u>116,170</u>	<u>83,867</u>
<b>CURRENT ASSETS</b>			
Debtors	15	254,977	208,682
Cash at bank and in hand		567,955	231,899
		<u>822,932</u>	<u>440,581</u>
<b>CREDITORS: Amounts falling due within one year</b>	17	591,506	353,833
<b>NET CURRENT ASSETS</b>		<u>231,426</u>	<u>86,748</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>347,596</u>	<u>170,615</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	18	9,796	12,541
		<u>337,800</u>	<u>158,074</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	24	92,667	92,667
Share premium account	26	423,715	423,715
Share options reserve	26	30,246	32,762
Other reserves	26	5,780	6,084
Profit and loss account	26	(214,608)	(397,154)
<b>SHAREHOLDERS' FUNDS</b>	27	<u>337,800</u>	<u>158,074</u>

These financial statements were approved by the Directors and authorised for issue on 5 August 2009, and are signed on their behalf by:

  
CRAIG DUWELL

  
NEIL RICHARDS-SMITH

The notes on pages 15 to 33 form part of these financial statements.

# NCI VEHICLE RESCUE PLC

## BALANCE SHEET

31 MARCH 2009

	Note	2009 £	2008 (restated) £
<b>FIXED ASSETS</b>			
Tangible assets	13	863	–
Investments	14	65,003	65,000
		<u>65,866</u>	<u>65,000</u>
<b>CURRENT ASSETS</b>			
Debtors	15	359,870	390,180
<b>CREDITORS: Amounts falling due within one year</b>	17	<u>4,275</u>	<u>1,250</u>
<b>NET CURRENT ASSETS</b>		<u>355,595</u>	<u>388,930</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>421,461</u>	<u>453,930</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	24	92,667	92,667
Share premium account	26	423,715	423,715
Share options reserve	26	30,246	32,762
Profit and loss account	26	(125,167)	(95,214)
<b>SHAREHOLDERS' FUNDS</b>		<u>421,461</u>	<u>453,930</u>

These financial statements were approved by the Directors and authorised for issue on 5 August 2009, and are signed on their behalf by:



CRAIG DUWELL



NEIL RICHARDS-SMITH

The notes on pages 15 to 33 form part of these financial statements.

**NCI VEHICLE RESCUE PLC**  
**GROUP CASH FLOW STATEMENT**  
**YEAR ENDED 31 MARCH 2009**

		2009	2008
	Note	£	(restated) £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>28</b>	<b>402,076</b>	<b>124,716</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>28</b>	<b>6,970</b>	<b>4,528</b>
<b>TAXATION</b>	<b>28</b>	<b>(1,995)</b>	<b>448</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>28</b>	<b>(54,161)</b>	<b>(33,605)</b>
<b>EQUITY DIVIDENDS PAID</b>		<b>–</b>	<b>(22,250)</b>
<b>CASH INFLOW BEFORE FINANCING</b>		<b>352,890</b>	<b>73,837</b>
<b>FINANCING</b>	<b>28</b>	<b>(7,486)</b>	<b>23,977</b>
<b>INCREASE IN CASH</b>	<b>28</b>	<b>345,404</b>	<b>97,814</b>

The notes on pages 15 to 33 form part of these financial statements.



**NCI VEHICLE RESCUE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2009**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments and in accordance with applicable accounting standards.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group 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 twenty years 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. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

**Changes in accounting policies**

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-FRS 20 'Share-based payment (IFRS 2)'.

FRS 20 'Share-Based Payment (IFRS 2)' requires the recognition of equity-settled share-based payments at fair value at the date of the grant and the recognition of liabilities for cash-settled share-based payments at the current fair value at each balance sheet date. Prior to the adoption of FRS 20, the company did not recognise the financial effect of share-based payments until such payments were settled.

In accordance with the transitional provisions of FRS 20, the Standard has been applied retrospectively to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2006.

For the year ended 31 March 2009 the change in accounting policy has resulted in a net credit to the profit and loss account of £2,516. At 31 March 2009, the share options reserve amounted to £30,246.

**Related parties transactions**

The company is a parent company with four subsidiary companies NCI Consultants Limited, NCI Insurance Services Limited, Vehicle Rescue Network Limited and Sterling Rock Limited.

NCI Consultants Limited is a 100% owned subsidiary, NCI Insurance Services Limited is a 75% owned subsidiary, Vehicle Rescue Network Limited was acquired on the 1 February 2009 and is a wholly-owned subsidiary and Sterling Rock Limited was acquired on the 1 February 2009 and is a wholly-owned subsidiary.

During the year a charge of £10,000 (2008: £4000) was raised by NCI Consultants Limited to NCI Insurance Services Limited and £10,000 (2008: £nil) was raised by NCI Consultants Limited to Vehicle Rescue Network Limited both for time spent by their directors on NCI Insurance Services Limited and Vehicle Rescue Network Limited projects.

**NCI VEHICLE RESCUE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2009**

**1. ACCOUNTING POLICIES** *(continued)*

**Turnover**

The turnover shown in the consolidated profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax.

**Amortisation**

Amortisation 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:

Goodwill on acquisition	- 20 years
Website costs	- 5 years

**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:

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

**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.

**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 consolidated profit and loss account on a straight line basis.

**NCI VEHICLE RESCUE PLC**  
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**1. ACCOUNTING POLICIES** *(continued)*

**Deferred taxation**

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, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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 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**

The company has adopted FRS 20 Share Based Payments in respect of the current accounting period. The fair value of supplier warrants is recognised as an expense within the profit and loss account with a corresponding increase in equity. The fair value is measured at the grant date and charged against profit when the services are received.

The fair value is measured using the Blacks Scholes pricing model, taking into account the terms and conditions upon which the warrants were granted.

**Financial instruments**

**Investments**

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

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the profit and loss account. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is disposed of or until its value is impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

Investments classified as held-to-maturity are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit and loss account when the investment is derecognised, or impaired, as well as through the amortisation process.

Investments are fair valued using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the balance sheet date.

**NCI VEHICLE RESCUE PLC**  
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**1. ACCOUNTING POLICIES** *(continued)*

**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.

**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.

**Interest-bearing loans and borrowings**

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

**2. TURNOVER**

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

	<b>2009</b>	<b>2008</b> <i>(restated)</i>
	<b>£</b>	<b>£</b>
United Kingdom	<b><u>3,498,866</u></b>	<b><u>2,082,564</u></b>

**SEGMENTAL ANALYSIS**

<b>Class of Business :</b>	<b>Vehicle Rescue</b>		<b>Insurance</b>		<b>Group</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
		<i>(restated)</i>		<i>(restated)</i>		<i>(restated)</i>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Turnover	<b>2,472,889</b>	1,617,189	<b>1,025,977</b>	465,375	<b>3,498,866</b>	2,082,564
Profit / (loss) on ordinary activities before taxation	<b>199,482</b>	94,164	<b>(1,327)</b>	28,904	<b>165,358</b>	96,138
Segment net assets / (liabilities)	<b>(75,856)</b>	(292,986)	<b>24,863</b>	26,079	<b>337,800</b>	158,074

**3. OTHER OPERATING INCOME**

	<b>2009</b>	<b>2008</b> <i>(restated)</i>
	<b>£</b>	<b>£</b>
Other operating income	<b><u>12,380</u></b>	<b><u>—</u></b>

**NCI VEHICLE RESCUE PLC**  
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**4. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	<b>2009</b>	<b>2008</b> <i>(restated)</i>
	<b>£</b>	<b>£</b>
Amortisation	<b>8,871</b>	4,843
Depreciation of owned fixed assets	<b>8,015</b>	5,536
Depreciation of assets held under hire purchase agreements	<b>4,972</b>	1,808
Profit on disposal of fixed assets	–	(625)
Auditor's remuneration		
- as auditor	<b>14,208</b>	6,756
- for other services	–	1,234
Operating lease rentals payable	<b>6,763</b>	7,664
	<u><b>          </b></u>	<u><b>          </b></u>

**5. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the group during the financial year amounted to:

	<b>2009</b> <b>No</b>	<b>2008</b> <b>No</b>
Number of administrative staff	<b>13</b>	6
Number of management staff	<b>4</b>	4
	<u><b>17</b></u>	<u><b>10</b></u>

The aggregate payroll costs of the above were:

	<b>2009</b>	<b>2008</b> <i>(restated)</i>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>355,465</b>	206,929
Social security costs	<b>34,565</b>	17,563
	<u><b>390,030</b></u>	<u><b>224,492</b></u>

**6. DIRECTORS' EMOLUMENTS**

The Directors' aggregate emoluments in respect of qualifying services were:

	<b>2009</b>	<b>2008</b> <i>(restated)</i>
	<b>£</b>	<b>£</b>
Emoluments receivable	<u><b>197,407</b></u>	<u><b>120,262</b></u>

**NCI VEHICLE RESCUE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2009	2008 (restated)
	£	£
Interest payable on bank borrowing	3	1,032
Finance charges	1,166	968
	<u>1,169</u>	<u>2,000</u>

**8. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	2009	2008 (restated)
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 21% (2008 - 30%)	(2,517)	2,037
Over/under provision in prior year	1	-
Total current tax	<u>(2,516)</u>	<u>2,037</u>
Deferred tax:		
Origination and reversal of timing differences	(14,368)	-
Total current tax	<u>(16,884)</u>	<u>2,037</u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2008 - 30%).

	2009	2008 (restated)
	£	£
Profit on ordinary activities before taxation	<u>165,358</u>	<u>96,138</u>
Profit on ordinary activities by rate of tax	34,725	28,841
Permanent timing differences	1,328	849
Depreciation in excess of capital allowances	(7,070)	(3,506)
Other reconciling items	(31,500)	(24,147)
Total current tax (note 8(a))	<u>(2,517)</u>	<u>2,037</u>

**9. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY**

The loss dealt with in the accounts of the parent company was £29,953 (2008 restated - £24,486).

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**10. DIVIDENDS**

**Equity dividends**

	2009	2008 (restated)
	£	£
Paid		
Equity dividends	—	22,250
	<u>          </u>	<u>          </u>

The dividend shown above was paid to Mr R Sharman the director and minority shareholder in the subsidiary company NCI Insurance Services Limited.

**11. PRIOR YEAR ADJUSTMENT**

Financial Reporting Standard 20 "Shares based payments" required the recognition of a fair value of share based payments in the company's profit and loss account in respect of transactions in which the entity received goods or services in exchange for issuing the equity instrument.

The company had previously issued warrants in respect of it's listing on the PLUS Market in July 2004. In previous years, these have not been recognised in the company or group accounts. Although the amounts are not considered significant, the directors have decided that these should be accounted for in view of the warrants that could be granted in the future.

The prior year adjustment reflects the fair value of the share warrants that have been granted previously in accordance with FRS 20.

**NCI VEHICLE RESCUE PLC**  
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**12. INTANGIBLE FIXED ASSETS**

Group	Goodwill £	Website Development £	Total £
<b>COST</b>			
At 1 April 2008	48,853	12,000	60,853
Additions	–	20,138	20,138
<b>At 31 March 2009</b>	<b>48,853</b>	<b>32,138</b>	<b>80,991</b>
<b>AMORTISATION</b>			
At 1 April 2008	9,772	2,400	12,172
Charge for the year	2,443	6,428	8,871
<b>At 31 March 2009</b>	<b>12,215</b>	<b>8,828</b>	<b>21,043</b>
<b>NET BOOK VALUE</b>			
<b>At 31 March 2009</b>	<b>36,638</b>	<b>23,310</b>	<b>59,948</b>
At 31 March 2008	39,081	9,600	48,681

Goodwill arises from the acquisition of NCI Consultants Limited. The goodwill is being amortised evenly over the Directors' estimate of its useful economic life of 20 years.

**13. TANGIBLE FIXED ASSETS**

Group	Improvements to Leasehold Property £	Motor Vehicles £	Equipment £	Total £
<b>COST</b>				
At 1 April 2008	6,589	28,818	31,292	66,699
Additions	5,000	–	29,023	34,023
<b>At 31 March 2009</b>	<b>11,589</b>	<b>28,818</b>	<b>60,315</b>	<b>100,722</b>
<b>DEPRECIATION</b>				
At 1 April 2008	3,951	7,200	20,362	31,513
Charge for the year	2,317	5,404	5,266	12,987
<b>At 31 March 2009</b>	<b>6,268</b>	<b>12,604</b>	<b>25,628</b>	<b>44,500</b>
<b>NET BOOK VALUE</b>				
<b>At 31 March 2009</b>	<b>5,321</b>	<b>16,214</b>	<b>34,687</b>	<b>56,222</b>
At 31 March 2008	2,638	21,618	10,930	35,186



**NCI VEHICLE RESCUE PLC**  
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**13. TANGIBLE FIXED ASSETS** *(continued)*

**Hire purchase agreements**

Included within the net book value of £56,222 is £14,919 (2008 - £19,892) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £4,972 (2008 - £1,808).

<b>Company</b>	<b>Equipment £</b>
<b>COST</b>	
Additions	1,294
<b>At 31 March 2009</b>	<u>1,294</u>
<b>DEPRECIATION</b>	
Charge for the year	431
<b>At 31 March 2009</b>	<u>431</u>
<b>NET BOOK VALUE</b>	
<b>At 31 March 2009</b>	<u>863</u>
At 31 March 2008	<u>-</u>

**14. INVESTMENTS**

<b>Company</b>	<b>Group companies £</b>
<b>COST</b>	
At 1 April 2008	65,000
Additions	3
<b>31 March 2009</b>	<u>65,003</u>
<b>NET BOOK VALUE</b>	
<b>At 31 March 2009</b>	<u>65,003</u>
At 31 March 2008	<u>65,000</u>

On 14 January 2009 the company acquired 100% of the issued share capital of Sterling Rock Limited. On 11 February 2009 the company acquired 100% of the issued share capital of Vehicle Rescue Network Limited. Both companies are undertaking activities to compliment and support the trades of the existing subsidiary companies.

The companies listed below are all 100% subsidiaries of NCI Vehicle Rescue PLC except for NCI Insurance Services Limited which is owned 75%.

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**14. INVESTMENTS** *(continued)*

Subsidiary undertakings	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
All held by the company:				
NCI Consultants Limited	England	Ordinary shares	100%	Vehicle Rescue
NCI Insurance Services Limited	England	Ordinary shares	75%	Insurance
Vehicle Rescue Network Limited	England	Ordinary shares	100%	Vehicle Rescue
Sterling Rock Limited	England	Ordinary shares	100%	Insurance

**15. DEBTORS**

	Group		Company	
	2009	2008	2009	2008
	£	(restated) £	£	(restated) £
Trade debtors	161,979	148,844	—	—
Amounts owed by group undertakings	—	—	358,723	390,180
Corporation tax repayable	2,475	—	—	—
Other debtors	18,210	25,397	—	—
Directors current accounts	3,832	3,656	—	—
Deferred taxation (Note 16)	14,368	—	—	—
Prepayments and accrued income	54,113	30,785	1,147	—
	<u>254,977</u>	<u>208,682</u>	<u>359,870</u>	<u>390,180</u>

The directors benefited from overdrawn loan accounts during the year. At the year end C Duwell owed £2,474 (2008 - £2,474) and N Smith owed £1,358 (2008 - £1,182). The maximum outstanding during the year from any individual director was £2,474 (2008 - £3,656).

**16. DEFERRED TAXATION**

The movement in the deferred taxation asset during the year was:

	Group		Company	
	2009	2008	2009	2008
	£	(restated) £	£	(restated) £
Provision for year	14,368	—	—	—
Asset carried forward	<u>14,368</u>	<u>—</u>	<u>—</u>	<u>—</u>

**NCI VEHICLE RESCUE PLC**  
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**16. DEFERRED TAXATION** *(continued)*

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

Group	2009		2008	
	Provided	Unprovided	Provided <i>(restated)</i>	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	(10,590)	-	-	-
Tax losses available	24,958	-	-	-
	<u>14,368</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Company	2009		2008	
	Provided	Unprovided	Provided <i>(restated)</i>	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	-	-	-	-
Tax losses available	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The deferred tax asset has been recognised on a group-wide basis given the expectation that there will be sufficient taxable profits generated within the next 12 months, to utilise the taxable losses held at the balance sheet date.

**17. CREDITORS: Amounts falling due within one year**

	Group		Company	
	2009	2008 <i>(restated)</i>	2009	2008 <i>(restated)</i>
	£	£	£	£
Overdrafts	-	9,348	-	-
Trade creditors	224,086	69,106	-	-
Hire purchase agreements	2,745	2,745	-	-
Other creditors including taxation and social security:				
Corporation tax	-	2,036	-	-
PAYE and social security	50,567	7,209	-	-
Other creditors	9,959	14,700	-	-
Accruals and deferred income	304,149	248,689	4,275	1,250
	<u>591,506</u>	<u>353,833</u>	<u>4,275</u>	<u>1,250</u>

**NCI VEHICLE RESCUE PLC**  
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**17. CREDITORS: Amounts falling due within one year (continued)**

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	<b>Group</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
		<i>(restated)</i>		<i>(restated)</i>
	£	£	£	£
Overdrafts	–	9,348	–	–
Hire purchase agreements	2,745	2,745	–	–
	<u>2,745</u>	<u>12,093</u>	<u>–</u>	<u>–</u>

Bank overdrafts are secured by way of debenture dated 2 July 2004 over the assets of the company.

**18. CREDITORS: Amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
		<i>(restated)</i>		<i>(restated)</i>
	£	£	£	£
Hire purchase agreements	9,796	12,541	–	–
	<u>9,796</u>	<u>12,541</u>	<u>–</u>	<u>–</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	<b>Group</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
		<i>(restated)</i>		<i>(restated)</i>
	£	£	£	£
Hire purchase agreements	9,796	12,541	–	–
	<u>9,796</u>	<u>12,541</u>	<u>–</u>	<u>–</u>

Hire purchase agreements are secured upon the asset the agreement relates to.

**19. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
		<i>(restated)</i>		<i>(restated)</i>
	£	£	£	£
Amounts payable within 1 year	2,745	2,745	–	–
Amounts payable between 2 and 5 years	9,796	12,541	–	–
	<u>12,541</u>	<u>15,286</u>	<u>–</u>	<u>–</u>

**NCI VEHICLE RESCUE PLC**  
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**20. SHARE-BASED PAYMENTS**

The company entered into share warrant agreements with Ruegg & Co. Limited as part of its listing on the PLUS Markets in July 2004. The options are exercisable at a pre-set price per share. Two separate share warrant agreements were entered into with Ruegg & Co. Limited - 694,999 Arranger Warrants in respect of the listing of the company and 150,000 Share Warrants in lieu of charges in respect of the listing of the company.

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

Grant Date	Expiry Date	No. of Ordinary Shares and Price		Total
		10p	15p	
2 June 2004	2 June 2009	-	694,999	694,999
6 May 2004	5 May 2010	150,000	-	150,000
		150,000	694,999	844,999

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

Number of instruments granted	150,000	694,999
Grant date	6 May 2004	2 June 2004
Expiry dated	5 May 2010	2 June 2009
Contract term (years)	6	5
Exercise price	10p	15p
Share price at granting	14.75p	14.75p
Annual risk free rate (%)	2%	2%
Annual expected dividend yield (%)	0%	0%
Volatility	50%	50%
Fair value per grant instrument	6.57p	3.19p

The company recognised total credit against expenses of £2,516 (2008: expense £4,708) related to equity-settled share-based payment transactions during the year.

**21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
- (c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the Group's operations.

Transactions in financial instruments result in the Group assuming or transferring to another party one or more of the financial risks described below.

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**21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** *(continued)*

**Credit risk**

The Group monitors credit risk closely and considers that its current policies 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 under financial instruments.

**22. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2009 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Land and buildings	
	2009	2008
	£	(restated) £
Operating leases which expire:		
Within 1 year	17,587	–
Within 2 to 5 years	–	10,300
	<u>17,587</u>	<u>10,300</u>

**23. RELATED PARTY TRANSACTIONS**

The Group was under the control of the Directors throughout the current year. The Directors are the majority shareholders.

During the year a charge of £10,000 (2008: £4,000) was raised by NCI Consultants Limited to NCI Insurance Services Limited and £10,000 (2008: £nil) was raised by NCI Consultants Limited to Vehicle Rescue Network Limited both for time spent by their directors on NCI Insurance Services Limited and Vehicle Rescue Network Limited projects.

**NCI VEHICLE RESCUE PLC**  
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**24. SHARE CAPITAL**

**Authorised share capital:**

	2009	2008 (restated)
	£	£
50,000,000 Ordinary shares of £0.01 each	<u>500,000</u>	<u>500,000</u>

**Allotted, called up and fully paid:**

	2009		2008 (restated)	
	No	£	No	£
Ordinary shares of £0.01 each	<u>9,266,666</u>	<u>92,667</u>	<u>9,266,666</u>	<u>92,667</u>

At 31 March 2009 1,333,332 (2008: 1,333,332) warrants with an exercise price of 15p were outstanding. These warrants can be exercised at any time during a five year period from the date of the grant. Post year end 266,666 warrants have been exercised at the agreed price of 15p per share.

At 31 March 2009 694,999 (2008: 694,999) Arranger Warrants with an exercise price of 15p were outstanding. These warrants can be exercised at any time up to the expiry date of 2 June 2009. After the balance sheet date, warrants totalling 133,333 have been exercised at 15p per share.

At 31 March 2009 150,000 warrants with an exercise price of 10p had been granted. These warrants can be exercised at any time up to the expiry date of 6 May 2010.

The company has an unapproved share option scheme under which the directors have the discretion to grant options to subscribe for ordinary shares up to a maximum of 926,666 shares (representing 10% of the company's issued share capital in aggregate at the date of its listing). 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 the grant. No options have been granted as at 31 March 2009.

At 31 March 2009 250,000 options exercisable at 15p per share had been granted to M Watson-Mitchell, Non-Executive Chairman of the company, under a separate unapproved share option scheme.

**NCI VEHICLE RESCUE PLC**  
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**25. EARNINGS PER SHARE**

The earnings per share is based upon a profit of £182,242 (2008 £94,101) and the weighted average number of shares of 9,266,666 (2008: 9,266,666).

The diluted earnings per share is based upon a profit of £182,242 (2008 £94,101) and on 12,371,663 (2008: 12,371,663) ordinary shares calculated as follows:

	2009	2008 (restated)
	£	£
Basic weighted average number of ordinary shares	9,266,666	9,266,666
Dilutive potential ordinary shares:		
Warrants	2,178,331	2,178,331
Employee share options	926,666	926,666
	<u>12,371,663</u>	<u>12,371,663</u>

**26. RESERVES**

Group	Share premium account £	Share options Reserve £	Minority interest £	Profit and loss account (restated) £
Balance brought forward as previously reported	423,715	–	6,084	(364,392)
Prior year adjustment (note 11)	–	32,762	–	(32,762)
Restated balance as at 1 April 2008	423,715	32,762	6,084	(397,154)
Profit / (Loss) for the year	–	–	–	182,242
Losses due to Minority interest	–	–	(304)	304
Recognition of equity-settled share-based payments in the year	–	(2,516)	–	–
Balance carried forward	<u>423,715</u>	<u>30,246</u>	<u>5,780</u>	<u>(214,608)</u>

Company	Share premium account £	Share options reserve £	Profit and loss account (restated) £
Balance brought forward as previously reported	423,715	–	(62,452)
Prior year adjustment (note 11)	–	32,762	(32,762)
Restated balance as at 1 April 2008	423,715	32,762	(95,214)
Loss for the year	–	–	(29,953)
Recognition of equity-settled share-based payments in the year	–	(2,516)	–
Balance carried forward	<u>423,715</u>	<u>30,246</u>	<u>(125,167)</u>



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**27. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2009	2008 <i>(restated)</i>
	£	£
Profit for the financial year	182,242	94,101
Arising on issue of shares in subsidiary	–	1,250
Equity dividends in subsidiary	–	(22,250)
Recognition of equity-settled share-based payments in the year	(2,516)	4,708
	<u>179,726</u>	<u>77,809</u>
Net addition to shareholders' funds	179,726	77,809
Opening shareholders' funds	190,836	108,319
Prior year adjustment (see note 11)	(32,762)	(28,054)
	<u>337,800</u>	<u>158,074</u>
Closing shareholders' funds	<u>337,800</u>	<u>158,074</u>

**28. NOTES TO THE STATEMENT OF CASH FLOWS**

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2009	2008 <i>(restated)</i>
	£	£
Operating profit	158,388	91,610
Amortisation	8,871	4,843
Depreciation	12,987	7,344
Profit on disposal of fixed assets	–	(625)
Increase in debtors	(29,452)	(58,780)
Increase in creditors	253,798	75,616
Professional fees (non cash) in respect of Share Based Payments	(2,516)	4,708
	<u>402,076</u>	<u>124,716</u>
Net cash inflow from operating activities	<u>402,076</u>	<u>124,716</u>

**RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	2009	2008 <i>(restated)</i>
	£	£
Interest received	8,139	6,528
Interest paid	(3)	(1,032)
Interest element of hire purchase	(1,166)	(968)
	<u>6,970</u>	<u>4,528</u>
Net cash inflow from returns on investments and servicing of finance	<u>6,970</u>	<u>4,528</u>

**TAXATION**

	2009	2008 <i>(restated)</i>
	£	£
Taxation	(1,995)	448

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**28. NOTES TO THE STATEMENT OF CASH FLOWS** *(continued)*

**CAPITAL EXPENDITURE**

	2009	2008 <i>(restated)</i>
	£	£
Payments to acquire intangible fixed assets	(20,138)	(12,000)
Payments to acquire tangible fixed assets	(34,023)	(27,105)
Receipts from sale of fixed assets	–	5,500
Net cash outflow from capital expenditure	<u>(54,161)</u>	<u>(33,605)</u>

**FINANCING**

	2009	2008 <i>(restated)</i>
	£	£
Net inflow/(outflow) from other short-term creditors	(4,741)	10,905
Capital element of hire purchase	(2,745)	11,822
Issue of shares in Subsidiary	–	1,250
Net cash inflow from financing	<u>(7,486)</u>	<u>23,977</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	2009	2008 <i>(restated)</i>
	£	£
Increase in cash in the period	345,404	97,814
Net (inflow) from/outflow from other short-term creditors	4,741	(10,905)
Cash outflow in respect of hire purchase	2,745	(11,822)
	<u>352,890</u>	<u>75,087</u>
Change in net funds	352,890	75,087
Net funds at 1 April 2008	192,565	117,478
Net funds at 31 March 2009	<u>545,455</u>	<u>192,565</u>

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**28. NOTES TO THE STATEMENT OF CASH FLOWS** *(continued)*

**ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 Apr 2008 £	Cash flows £	At 31 Mar 2009 £
Net cash:			
Cash in hand and at bank	231,899	336,056	567,955
Overdrafts	(9,348)	9,348	-
	<u>222,551</u>	<u>345,404</u>	<u>567,955</u>
Debt:			
Debt due within 1 year	(14,700)	4,741	(9,959)
Hire purchase agreements	(15,286)	2,745	(12,541)
	<u>(29,986)</u>	<u>7,486</u>	<u>(22,500)</u>
Net funds	<u>192,565</u>	<u>352,890</u>	<u>545,455</u>