



Registered number: 05052874

NCI Vehicle Rescue PLC
Annual Report and Financial Statements
For Year Ended 31 March 2017



PKF LITTLEJOHN LLP

Statutory Auditor
1 Westferry Circus
Canary Wharf
London
E14 4HD

NCI Vehicle Rescue PLC

Financial Statements

Year ended 31 March 2017

Contents	Page
Company Information	1
Group Strategic Report	2
Directors' Report	4
Directors' Responsibilities Statement	6
Report of the Independent Auditor	7
Consolidated Profit and Loss Account	9
Consolidated Balance Sheet	10
Company Balance Sheet	11
Consolidated Statement of Changes in Equity	12
Company Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Consolidated Financial Statements	15

NCI Vehicle Rescue PLC

Company Information

The Board of Directors	Mr N M Richards-Smith	(Managing Director)
	Mr C R Jackson	(Non-Executive Chairman)
	Mr R P Sharman	(Sales Director)
	Mr P M Barrett	(Finance Director)
	Mr C Astbury	(IT Director)
Company Secretary	Mr P M Barrett	
Business Address	4th Floor, Clarendon House Victoria Avenue Harrogate HG1 1JD	
Registered Office	4th Floor, Clarendon House Victoria Avenue Harrogate HG1 1JD	
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD	
Bankers	Lloyds Bank PLC 8-11 Cambridge Street Harrogate HG1 1PQ	
Solicitors	Clarions Solicitors Limited Elizabeth House 13-19 Queen Street Leeds LS1 2TW	
Company Number	05052874	

NCI Vehicle Rescue PLC

Group Strategic Report

Year ended 31 March 2017

The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

Business Review and Future Developments

The principal activity of the group in the year under review was the provision of vehicle breakdown and insurance services.

Group Result & Business Review

The year ended 31st March 2017 has seen the company continuing to rebalance its business, following the loss of our largest motor insurance account in September 2014. This has now seen a significant improvement in trading, which resulted in a reduced loss on ordinary activities before taxation of £144,777 compared to a loss of £602,603 in the previous year. Gross Sales (Gross Premiums written plus the value of the vehicle breakdown policies) increased by 38.9% from £14.40m to £20.00m with statutory turnover (commission and fees) increasing by 43.5% from £6,455,967 to £9,262,075.

The Group places considerable value on the involvement of its employees and continues to provide a framework for the development of staff.

Future Outlook

Trading will still continue to be challenging for the whole of 2017/18, as the Group continues to develop and gains new deals and business. However results for the first six months to 30th September 2017 are encouraging, with the Group returning to profitability throughout the period. The Group has rebalanced its revenue and profit generation more equally in its three main business units of Private Motor Insurance, Breakdown and Roadside Assistance and Pet Insurance, whilst developing our third party claims service and is now generating profitable growth in all these markets.

Principal Risks and Uncertainties

The Group operates a risk management system that evaluates and prioritises risks and uncertainties. This is principally a function of the Board of Directors lead by the Executive team.

The Group has a simple capital structure and its principal financial asset is cash. 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.

Additional risks and uncertainties, which are not currently known or are deemed immaterial, may also have a material impact on the Group. The following have been identified as the more significant risks to the Group:

We are subject to a broad spectrum of regulatory requirements in each of the markets in which we operate and failure to comply with these regulatory requirements could result in us having to suspend either temporarily or permanently certain activities.

A significant reduction in our main routes to market could have a significant impact on customer and policy numbers.

If we were unable to access sufficient insurance capacity for our products, this could have a significant impact on future commission income.

Our reputation is heavily dependent on the quality of our customer service. Any failure to meet our service standards or negative media coverage of poor service could have a detrimental impact on customer and policy numbers.

NCI Vehicle Rescue PLC
Group Strategic Report *(continued)*
Year ended 31 March 2017

Principal Risks and Uncertainties *(continued)*

Our ability to meet growth expectations and compete effectively is, in part, dependent on the skills, experience and performance of our personnel. The ability to attract, motivate or retain key talent could impact on our overall business performance.

The Group depends on the continued contribution of key management, and the loss of a significant member of the management team could adversely effect the business.

Key Performance Indicators

The directors monitor the Group's progress against its strategic objectives and the financial performance of the Group's operations on a regular basis. Details of the most significant key performance indicators (KPIs) used by the Group are as follows:

Gross Sales (growth)

The Group views changes in the market as an opportunity to grow, and to use its retained profits and its ability to develop and produce innovative products, services and solutions that satisfy emerging customer needs. Growth comes from taking considered risks, based on the state of the industry and the market that we operate in. The Group measures gross sales by reference to the gross premiums written under the various insurance products offered by the Group, plus the value and number of the vehicle breakdown policies entered into in the year.

Profitability

In order to be successful, the Group needs to achieve sufficient profits over a medium to long term to finance growth, create value for the Group's shareholders and provide resource to achieve any of the Group's other objectives.

Cash at bank and in hand

Increasing available cash is key to achieving our long term goals, whether making corporate acquisitions or acquiring books of business.

This report was approved by the board of directors on 22 / 11 / 17 and signed on behalf of the board by:



Mr P M Barrett
Director

NCI Vehicle Rescue PLC

Directors' Report

Year ended 31 March 2017

The Directors present their report and the audited financial statements of the Group and Company for the year ended 31 March 2017.

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 and insurance services.

A review of the Group's activities and performance for the year and its prospects for 2017 to 2018 is contained in the Strategic Report in pages 2 and 3.

Directors

The Directors who served during the year were as follows:

Mr N M Richards-Smith

Mr C T Duwell

Resigned 6th June 2017

Mr C R Jackson

Mr R P Sharman

Mr P M Barrett

Mr C Astbury

Results and dividends

The Group's loss for the year, after taxation, amounted to £140,189 (2016: loss of £594,146). The Directors do not recommend the payment of a dividend. Particulars of dividends paid in 2016 are detailed in note 12 to the financial statements.

Future developments

A review of the business and future prospects is set out in the Strategic Report on pages 2 and 3.

Financial risk management

The Group has a simple capital structure and its principal financial asset is cash. 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.

Going concern

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

The Group has adequate resources and the Directors believe that the Group is well placed to manage its business risks successfully.

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

NCI Vehicle Rescue PLC

Directors' Report *(continued)*

Year ended 31 March 2017

Provision of information auditors

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

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

Auditor

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

This report was approved by the Board on 22 / 11 / 17 and signed on its behalf.



Mr P M Barrett
Director

NCI Vehicle Rescue PLC
Directors' Responsibilities Statement
Year ended 31 March 2017

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable Accounting Policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102 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 are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NCI Vehicle Rescue PLC

Independent Auditor's Report to the Members of NCI Vehicle Rescue PLC

Year ended 31 March 2017

We have audited the financial statements of NCI Vehicle Rescue PLC for the year ended 31 March 2017, which comprise the Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Statement of Cash Flows, the Group and Parent Company Statement of Changes in Equity and the 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), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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, the Directors are responsible for the preparation of the 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 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 and 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 of the parent company's affairs as at 31 March 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

NCI Vehicle Rescue PLC

Independent Auditor's Report to the Members of NCI Vehicle Rescue PLC (continued)

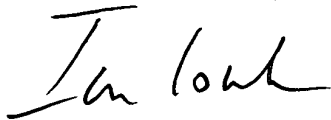
Year ended 31 March 2017

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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

1 Westferry Circus
Canary Wharf
London
E14 4HD

Date: 27 November 2017

NCI Vehicle Rescue PLC
Consolidated Profit and Loss Account
Year ended 31 March 2017

	Note	2017 £	2016 £
Turnover	5	9,262,075	6,455,697
Cost of sales		<u>(5,155,059)</u>	<u>(3,266,290)</u>
Gross profit		4,107,016	3,189,407
Administrative expenses		<u>(4,259,102)</u>	<u>(3,800,115)</u>
Operating loss	6	(152,086)	(610,708)
Other interest receivable and similar income	10	<u>7,309</u>	<u>8,105</u>
Loss on ordinary activities before taxation		(144,777)	(602,603)
Tax on loss on ordinary activities	11	<u>4,588</u>	<u>8,457</u>
Loss for the financial year and total comprehensive income		<u>(140,189)</u>	<u>(594,146)</u>

All the activities of the group are from continuing operations.

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

The notes on pages 15 to 31 form part of these financial statements.

NCI Vehicle Rescue PLC

Consolidated Balance Sheet

31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	13	67,551	81,061
Tangible assets	14	230,115	250,834
Investments	15	50	50
		<u>297,716</u>	<u>331,945</u>
Current assets			
Debtors: Amounts falling due within one year	16	2,848,737	1,433,839
Cash at bank and in hand	17	1,375,129	1,689,593
		<u>4,223,866</u>	<u>3,123,432</u>
Creditors: amounts falling due within one year	18	<u>(3,606,695)</u>	<u>(2,395,713)</u>
Net current assets		<u>617,171</u>	<u>727,719</u>
Total assets less current liabilities		<u>914,887</u>	<u>1,059,664</u>
Provisions			
Taxation including deferred tax	20	(36,722)	(41,310)
Net assets		<u>878,165</u>	<u>1,018,354</u>
Capital and reserves			
Called up share capital	23	101,969	101,969
Share premium account	24	677,607	677,607
Capital redemption reserve	24	2,581	2,581
Share option reserve	24	57,789	57,789
Profit and loss account	24	38,219	178,408
Shareholders funds		<u>878,165</u>	<u>1,018,354</u>

These financial statements were approved by the board of directors and authorised for issue on 22/11/17, and are signed on behalf of the board by:



Mr N M Richards-Smith
Director

Company registration number: 05052874

The notes on pages 15 to 31 form part of these financial statements.

NCI Vehicle Rescue PLC
Parent Company Balance Sheet
31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	14	103,658	141,474
Investments	15	213,053	213,053
		<u>316,711</u>	<u>354,527</u>
Current assets			
Debtors: Amounts falling due within one year	16	941,328	712,015
Cash at bank and in hand		53,223	169,416
		<u>994,551</u>	<u>881,431</u>
Creditors: amounts falling due within one year	18	<u>(434,433)</u>	<u>(350,558)</u>
Net current assets		<u>560,118</u>	<u>530,873</u>
Total assets less current liabilities		<u>876,829</u>	<u>885,400</u>
Provisions			
Taxation including deferred tax	20	(12,871)	(19,665)
Net assets		<u>863,958</u>	<u>865,735</u>
Capital and reserves			
Called up share capital	23	101,969	101,969
Share premium account	24	677,607	677,607
Capital redemption reserve	24	2,581	2,581
Share option reserve	24	57,789	57,789
Profit and loss account	24	24,012	25,789
Shareholders funds		<u>863,958</u>	<u>865,735</u>

The loss for the financial year of the parent company was £1,777 (2016: £29,097 profit).

These financial statements were approved by the board of directors and authorised for issue on 22/03/17, and are signed on behalf of the board by:



Mr N M Richards-Smith
Director

Company registration number: 05052874

The notes on pages 15 to 31 form part of these financial statements.

NCI Vehicle Rescue PLC

Consolidated Statement of Changes in Equity

Year ended 31 March 2017

	Note	Called up share capital £	Share premium account £	Capital redemption reserve £	Share option reserve £	Profit and loss account £	Total £
At 1 April 2015		101,969	677,607	2,581	57,789	833,736	1,673,682
Loss for the year		–	–	–	–	(594,146)	(594,146)
Dividends paid	12	–	–	–	–	(61,182)	(61,182)
At 31 March 2016		<u>101,969</u>	<u>677,607</u>	<u>2,581</u>	<u>57,789</u>	<u>178,408</u>	<u>1,018,354</u>
Loss for the year		–	–	–	–	(140,189)	(140,189)
At 31 March 2017		<u>101,969</u>	<u>677,607</u>	<u>2,581</u>	<u>57,789</u>	<u>38,219</u>	<u>878,165</u>

The notes on pages 15 to 31 form part of these financial statements.

NCI Vehicle Rescue PLC
Company Statement of Changes in Equity
Year ended 31 March 2017

	Note	Called up share capital £	Share premium account £	Capital redemption reserve £	Share option reserve £	Profit and loss account £	Total £
At 1 April 2015		<u>101,969</u>	<u>677,607</u>	<u>2,581</u>	<u>57,789</u>	<u>57,874</u>	<u>897,820</u>
Profit for the year		–	–	–	–	29,097	29,097
Dividends paid	12	–	–	–	–	(61,182)	(61,182)
At 31 March 2016		<u>101,969</u>	<u>677,607</u>	<u>2,581</u>	<u>57,789</u>	<u>25,789</u>	<u>865,735</u>
Loss for the year		–	–	–	–	(1,777)	(1,777)
At 31 March 2017		<u>101,969</u>	<u>677,607</u>	<u>2,581</u>	<u>57,789</u>	<u>24,012</u>	<u>863,958</u>

The notes on pages 15 to 31 form part of these financial statements.

NCI Vehicle Rescue PLC

Consolidated Statement of Cash Flows

Year ended 31 March 2017

	2017 £	2016 £
Cash flows from operating activities		
Loss for the financial year	(140,189)	(594,146)
<i>Adjustments for:</i>		
Depreciation of tangible assets	108,829	102,119
Amortisation of intangible assets	13,510	35,743
Interest receivable and similar income	(7,309)	(8,105)
Loss on disposal of tangible assets	44	–
Tax on loss on ordinary activities	(4,588)	(8,457)
<i>Changes in:</i>		
Trade and other debtors	(1,414,898)	269,521
Trade and other creditors	1,210,982	586,750
Cash generated from operations	(233,619)	383,425
Interest received	7,309	8,105
Tax paid	–	(486)
Net cash (used in)/from operating activities	<u>(226,310)</u>	<u>391,044</u>
Cash flows from investing activities		
Purchase of tangible assets	(88,604)	(50,372)
Proceeds from sale of tangible assets	450	–
Acquisition of interests in associates	–	(50)
Net cash used in investing activities	<u>(88,154)</u>	<u>(50,422)</u>
Cash flows from financing activities		
Dividends paid	–	(61,182)
Net cash used in financing activities	<u>–</u>	<u>(61,182)</u>
Net (decrease)/increase in cash and cash equivalents	(314,464)	279,440
Cash and cash equivalents at beginning of year	1,689,593	1,410,153
Cash and cash equivalents at end of year	<u>1,375,129</u>	<u>1,689,593</u>

The notes on pages 15 to 31 form part of these financial statements.

NCI Vehicle Rescue PLC
Notes to the Financial Statements
Year ended 31 March 2017

1. Statement of compliance

The Group and individual financial statements of NCI Vehicle Rescue PLC have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2. General information

NCI Vehicle Rescue PLC is a Public Limited Company and is incorporated and domiciled in England. The Group operate in the vehicle breakdown and insurance industry. The address of its registered office is 4th Floor, Clarendon House, Victoria Avenue, Harrogate, North Yorkshire, HG1 1JD.

3. Summary of significant accounting policies

Basis of preparation

These consolidated and separate financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss accounts.

The following accounting policies have been applied:

Going concern

The Group meets its day-to-day working capital requirements through its bank facilities. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

NCI Vehicle Rescue PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Consolidation

The Group consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2017.

A subsidiary is an entity that is controlled by the Group. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date control ceases. Control is established when the company has the power to govern the operating and financial policies of an entity to obtain benefits from its activities. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence but not control. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of the associates are accounted for using the equity method of accounting.

Revenue recognition

Turnover is derived from ordinary activities, stated net of VAT and comprises the sale of vehicle breakdown assistance contracts, commissions and fees due on insurance policies sold during the year and claims administration services.

Income is recognised at the earlier of the date of breakdown cover being provided to the customer or when the provision of breakdown cover has been completed and confirmed to the customer.

Brokerage in respect of insurance business is recognised when the Group's contractual right to such income is established and to the extent that the group's relevant obligations under the contracts concerned have been performed. Credit is generally taken at the earlier of either the date of the policy inception or when the policy placement has been completed and confirmed to the client, subject to a deferral of brokerage in respect of post-placement services that constitute obligations of the group 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 group 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.

Income from claims administration services are recognised when the right to such income is established through a contract and in line with the provision of services to which they relate.

NCI Vehicle Rescue PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Taxation

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

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

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

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

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

Goodwill

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 of 10 years.

Goodwill is assessed for impairment when there are indicators of impairment. Any provision for impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

Tangible assets

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

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

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

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

NCI Vehicle Rescue PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Depreciation

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

Improvements to leasehold property	- Over the period of the lease
Software and website development	- 5 years
Equipment	- 25% reducing balance

Investments

Investments in subsidiary companies are held at cost less accumulated impairment losses.

Investments in associates are held at cost less accumulated impairment losses.

Impairment of fixed assets

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

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

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Provisions

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

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

NCI Vehicle Rescue PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Dividends

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).

Cost of sales

Cost of sales in relation to vehicle breakdown comprises the total of amounts paid or payable in respect of breakdown assistance obligations and commissions due on the obligations, including an estimate of future amounts payable under assistance contracts in force at the year end.

Cost of sales in relation to insurance business comprises commissions and fees payable to third party intermediaries relating to the provision of such business and costs to cover post placement obligations under these contracts.

Insurance assets and liabilities

The Group acts as an agent in broking the insurable risks of its clients and generally is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the Group's legal relationship with clients and underwriters and since in practice premium and claim monies are usually accounted for by insurance intermediaries it has shown cash, debtors and creditors relating to insurance business as assets and liabilities of the Group.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements and defined contribution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

The Group operates a number of defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

The Group operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

NCI Vehicle Rescue PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Share based payments

The Group provides share-based payment arrangements to certain employees, the fair value of the options at the date of grant is charged to Profit and loss over the vesting period within administrative expenses, the corresponding entry is treated as a capital contribution within other reserves. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Profit and loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Profit and loss is charged with the fair value of goods and services received.

Financial instruments

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

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

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

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

NCI Vehicle Rescue PLC
Notes to the Financial Statements *(continued)*
Year ended 31 March 2017

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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

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

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

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

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

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

Critical accounting estimates and assumptions

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

Post placement activities provision

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

At 31 March 2017, the Company has deferred £577,000 in respect of post placement activities; this amount is included within accruals and deferred income.

NCI Vehicle Rescue PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

4. Critical accounting judgements and estimation uncertainty *(continued)*

Accrued profit commission receivable

The Group is entitled to profit commission arising from the placement of insurance under certain contracts. The profit commission earned by the Group is dependent upon the underlying profitability of the book of business written, which given the tail of claims arising may not be payable to the Group for a period of time following completion of the contract on which profit commission is earned. Due to the unexpired risk on those contracts, the uncertain assessment of any final losses, including an assessment of any IBNR, and the impact of any loss deficit clauses, the Directors are not able to reliably estimate profit commission due at 31 March 2017 and have therefore not recognised such income.

Current value of investments

The Group has a 30% interest in Valeos (2013) Limited, and has also advanced the company £112,000 as a loan which was repaid 1 September 2017. The Directors have reviewed the current financial position of the company and the latest financial information, including budgets, forecasts and future plan, and do not believe any impairment provisions are required against the value of any investment or loan advance. The Directors do believe the Group has significant influence over the Company, accordingly, the Company is not treated as an associate in these financial statements.

The Directors have assessed the current value of the investment in Follifoot Lane Limited at the year end and can confirm that no amounts have been or are expected to be recovered, accordingly, the investment continues to be fully impaired.

Goodwill

Goodwill is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of goodwill has been impaired, for example due to a changed business climate or a decision taken either to sell or close down certain operations. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. No impairment is required at 31 March 2017.

5. Turnover

Turnover arises from:

	2017	2016
	£	£
Vehicle rescue	6,555,888	4,556,067
Insurance commissions	2,706,187	1,899,630
	<u>9,262,075</u>	<u>6,455,697</u>

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

NCI Vehicle Rescue PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

6. Operating loss

Operating loss is stated after charging:

	2017	2016
	£	£
Amortisation of intangible assets	13,510	35,743
Depreciation of tangible assets	108,829	102,119
Loss on disposal of tangible assets	44	—
Defined contribution pension cost	41,025	39,566
Operating lease charges - land and buildings	111,913	88,830
Operating lease charges - motor expenses	40,364	45,416
Wages and salaries	<u>2,712,808</u>	<u>2,430,824</u>

7. Auditor's remuneration

The total remuneration incurred by NCI Vehicle Rescue PLC, excluding VAT, was:

	2017	2016
	£	£
Audit of financial statements	18,000	16,675
Audit of subsidiaries	28,035	26,400
	<u>46,035</u>	<u>43,075</u>

8. Staff costs

The average monthly number of employees, including Directors, during the year was as follows:

	2017	2016
	No.	No.
Administrative staff	83	77
Management staff	6	6
	<u>89</u>	<u>83</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	2,447,806	2,197,034
Social security costs	223,977	194,224
Other pension costs	41,025	39,566
	<u>2,712,808</u>	<u>2,430,824</u>

9. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	535,598	542,257
Company contributions to defined contribution pension plans	27,250	27,250
	<u>562,848</u>	<u>569,507</u>

NCI Vehicle Rescue PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

9. Directors' remuneration *(continued)*

Remuneration of the highest paid director in respect of qualifying services:

	2017 £	2016 £
Aggregate remuneration	116,058	116,046
Company contributions to defined contribution pension plans	6,250	6,250
	<u>122,308</u>	<u>122,296</u>

Post-employment benefits are accruing for 5 directors (2016: 5) under defined contribution pension schemes.

10. Other interest receivable and similar income

	2017 £	2016 £
Interest on bank deposits	7,309	7,977
Other interest receivable and similar income	–	128
	<u>7,309</u>	<u>8,105</u>

11. Taxation

	2017 £	2016 £
Deferred tax:		
Origination and reversal of timing differences	(3,594)	(8,457)
Impact of change in tax rate	(994)	–
Tax on loss on ordinary activities	<u>(4,588)</u>	<u>(8,457)</u>

Reconciliation of tax charge

The tax assessed on the loss on ordinary activities for the year is higher than (2016: higher than) the standard rate of Corporation tax in the UK of 20% (2016: 20%).

	2017 £	2016 £
Loss on ordinary activities before taxation	(144,777)	(602,603)
Loss on ordinary activities by rate of tax	(28,955)	(120,521)
Effect of expenses not deductible for tax purposes	8,151	9,004
Difference in tax rate	(994)	–
Utilisation of tax losses	134	(52)
Unused tax losses	17,076	103,112
Tax on loss on ordinary activities	<u>(4,588)</u>	<u>(8,457)</u>

NCI Vehicle Rescue PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

11. Taxation *(continued)*

Factors that may affect future tax charges

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

The Group has taxation losses totalling £641,000 which are available for carry forward against future taxable profits. No deferred tax asset has been provided in respect of these losses, due to the uncertainty of their future recovery.

12. Dividends

	2017 £	2016 £
Dividends	—	61,182

13. Intangible assets

Group	Goodwill £
Cost	
At 1 April 2016 and 31 March 2017	167,068
Amortisation	
At 1 April 2016	86,007
Charge for the year	13,510
At 31 March 2017	99,517
Net Book Value	
At 31 March 2017	67,551
At 31 March 2016	81,061

The company has no intangible assets.

The goodwill is being amortised evenly over the directors' estimate of its expected useful life of 10 years.

NCI Vehicle Rescue PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

14. Tangible assets

Group	Improvements to Leasehold Property £	Software and Website Development £	Equipment £	Total £
Cost				
At 1 April 2016	171,346	202,846	324,245	698,437
Additions	5,665	64,120	18,819	88,604
Disposal	–	–	(1,521)	(1,521)
At 31 March 2017	177,011	266,966	341,543	785,520
Depreciation				
At 1 April 2016	134,896	117,560	195,147	447,603
Charge for the year	27,155	43,003	38,671	108,829
Disposal	–	–	(1,027)	(1,027)
At 31 March 2017	162,051	160,563	232,791	555,405
Net Book Value				
At 31 March 2017	14,960	106,403	108,752	230,115
At 31 March 2016	36,450	85,286	129,098	250,834

Company	Improvements to Leasehold Property £	Software and Website Development £	Equipment £	Total £
Cost				
At 1 April 2016	171,346	5,664	253,435	430,445
Additions	5,665	–	14,570	20,235
Disposal	–	–	(1,521)	(1,521)
At 31 March 2017	177,011	5,664	266,484	449,159
Depreciation				
At 1 April 2016	134,896	3,399	150,676	288,971
Charge for the year	27,155	1,133	29,269	57,557
Disposal	–	–	(1,027)	(1,027)
At 31 March 2017	162,051	4,532	178,918	345,501
Net Book Value				
At 31 March 2017	14,960	1,132	87,566	103,658
At 31 March 2016	36,450	2,265	102,759	141,474

15. Investments

Group	Interests in other undertakings £
Cost	
At 1 April 2016 and 31 March 2017	250,050
Impairment	
At 1 April 2016 and 31 March 2017	250,000
Net book value	
At 31 March 2017	50
At 31 March 2016	50

NCI Vehicle Rescue PLC
Notes to the Financial Statements *(continued)*
Year ended 31 March 2017

15. Investments *(continued)*

Company	Shares in group undertakings £	Interests in other undertakings £	Total £
Cost			
At 1 April 2016 and 31 March 2017	<u>213,003</u>	<u>250,050</u>	<u>463,053</u>
Impairment			
At 1 April 2016 and 31 March 2017	<u>—</u>	<u>250,000</u>	<u>250,000</u>
Net book value			
At 31 March 2017	<u>213,003</u>	<u>50</u>	<u>213,053</u>
At 31 March 2016	<u>213,003</u>	<u>50</u>	<u>213,053</u>

Subsidiaries and associates

Details of the investments in which the Group and the parent company have an interest of 20% or more are as follows:

Subsidiary undertakings	Country of incorporation	Nature of business	Interest
NCI Consultants Limited	England & Wales	Vehicle Rescue	100% Ordinary Shares
NCI Insurance Services Limited	England & Wales	Insurance Broking	100% Ordinary Shares
Vehicle Rescue Network Limited	England & Wales	Vehicle Rescue	100% Ordinary Shares
Sterling Rock Limited	England & Wales	Vehicle Rescue	100% Ordinary Shares
Other undertakings			
Follifoot Lane Limited	England & Wales	Investment Company	33% Ordinary Shares
Valeos (2013) Limited	England & Wales	Insurance Broking	30% Ordinary Shares

16. Debtors

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	2,191,129	785,963	—	—
Amounts owed by group undertakings	—	—	664,315	447,208
Prepayments and accrued income	261,994	261,844	158,568	157,813
Directors loan account	3,826	4,108	2,468	2,750
Other debtors	391,788	381,924	115,977	104,244
	<u>2,848,737</u>	<u>1,433,839</u>	<u>941,328</u>	<u>712,015</u>

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

Included in Other debtors is £112,227 (2016: £100,447) due from Valeos (2013) Limited, which was repaid on 1 September 2017.

NCI Vehicle Rescue PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

17. Cash and Cash Equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>1,375,129</u>	<u>1,689,593</u>

Cash at bank and in hand includes £1,132,814 (2016: £655,433) held in insurer trust money bank accounts, which is not available to the Group for working capital purposes.

18. Creditors: amounts falling due within one year

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	2,374,733	887,393	178,377	135,511
Accruals and deferred income	761,162	753,864	53,116	58,065
Social security and other taxes	187,224	141,284	187,253	140,530
Other creditors	283,576	613,172	15,687	16,452
	<u>3,606,695</u>	<u>2,395,713</u>	<u>434,433</u>	<u>350,558</u>

19. Deferred tax

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

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Included in provisions (note 20)	<u>36,722</u>	<u>41,340</u>	<u>12,871</u>	<u>19,665</u>

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

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Accelerated capital allowances	<u>36,722</u>	<u>41,310</u>	<u>12,871</u>	<u>19,665</u>

20. Provisions

Group	Deferred tax (note 19) £
At 1 April 2016	41,310
Charge against provision	(4,588)
At 31 March 2017	<u>36,722</u>

NCI Vehicle Rescue PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

20. Provisions *(continued)*

Company	Deferred tax (note 19) £
At 1 April 2016	19,665
Charge against provision	(6,794)
At 31 March 2017	<u>12,871</u>

21. Post-employment benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £41,025 (2016: £39,566).

22. Share based payments

The Company has granted options over shares in the company to a number of directors. Any options granted are exercisable on the third anniversary of the date of grant. No share options were granted in the year. No options were exercised in the year.

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

Grant Date	Expiry Date	No. of Ordinary Shares and Price				Total
		29.5p	30.0p	49.5p	110.5p	
11 Nov 2009	11 Nov 2019	88,333	–	–	–	88,333
24 Mar 2010	24 Mar 2020	–	50,000	–	–	50,000
5 Feb 2013	4 Feb 2023	–	–	119,950	–	119,950
24 Sep 2013	23 Sep 2023	–	–	–	8,358	8,358
		88,333	50,000	119,950	8,358	266,641

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

Grant date	11 Nov 2009	23 Mar 2010	5 Feb 2013	24 Sep 2013
Expiry dated	11 Nov 2019	23 Mar 2020	4 Feb 2023	23 Sep 2023
Contract term (years)	10	10	10	10
Vesting period (years)	3	3	3	3
Exercise price	29.5p	30p	49.5p	110.5p
Share price at granting	30.5p	34.5p	49.5p	110.5p
Annual risk free rate (%)	2%	2%	2%	2%
Annual expected dividend yield (%)	0%	0%	0%	0%
Volatility	50%	50%	50%	50%
Fair value per option	18.91p	22.14p	30.17p	67.35p

The Group and Company recognised a charge to expenses of £nil (2016: £nil) relating to equity-settled share-based payment transactions during the year.

The volatility measured at the standard deviation of continuously compounded share returns is based on expectations about volatility and the correlation of share prices in the ISDX market.

NCI Vehicle Rescue PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

23. Share capital

Allotted, called-up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>10,196,898</u>	<u>101,969</u>	<u>10,196,898</u>	<u>101,969</u>

There is a single class of Ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

24. Reserves

Capital redemption reserve - this represents the nominal value of shares repurchased by the company.

Share premium account – includes any premium received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Share option reserve - this reserve records the value of any share options issued that remain unexercised at the balance sheet date.

Profit and loss account – this represents cumulative profits and losses net of dividends and other adjustments.

25. Analysis of changes in net funds

	At 1 April 2016	Cash flows	At 31 March 2017
	£	£	£
Cash at bank and in hand	<u>1,689,593</u>	<u>(314,464)</u>	<u>1,375,129</u>

26. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

Group and Company	Motor vehicles		Land and buildings	
	2017	2016	2017	2016
	£	£	£	£
Within one year	<u>16,414</u>	31,315	<u>119,376</u>	–
One to five years	<u>3,972</u>	8,530	<u>443,712</u>	–
	<u>20,386</u>	<u>39,845</u>	<u>553,088</u>	–

NCI Vehicle Rescue PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

27. Directors' advances, credits and guarantees

During the year the Directors entered into the following advances and credits with the Company and its subsidiary undertakings:

	Advances/ (credits) to the directors		Amounts repaid		Balance outstanding	
	2017 £	2016 £	2017 £	2016 £	2017 £	2016 £
Mr N M Richards-Smith	1,147	1,530	(923)	(964)	2,483	2,259
Mr C T Duwell	—	837	(175)	(330)	1,064	1,239
Mr R P Sharman	1,231	322	(1,562)	(419)	228	559
Mr C Astbury	—	66	—	(151)	51	51
	<u>2,378</u>	<u>2,755</u>	<u>(2,660)</u>	<u>(1,864)</u>	<u>3,826</u>	<u>4,108</u>

During the year, the company paid £nil (2016: £24,000) for professional services to CRJ Properties, a company owned by Mr C R Jackson.

28. 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, Mr R Sharman, Mr P Barrett and Mr R Jackson are the managing, operations, IT, sales, finance directors and chairman and together in aggregate the majority shareholders.

During the year the Group paid £nil (2016: £34,988) in dividends to the Directors.

The Company's other related party transactions were with wholly owned subsidiaries and so have not been disclosed.

29. Controlling party

In the opinion of the Directors there is no overall controlling party.