



COMPANY REGISTRATION NUMBER 05052874

NCI VEHICLE RESCUE PLC
ANNUAL REPORT
31 MARCH 2015

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LD3 04/12/2015 #47
COMPANIES HOUSE

PKF Littlejohn LLP

Statutory Auditor
1 Westferry Circus
Canary Wharf
London
E14 4HD

NCI VEHICLE RESCUE PLC
ANNUAL REPORT
YEAR ENDED 31 MARCH 2015

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NCI VEHICLE RESCUE PLC
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2015

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

NCI VEHICLE RESCUE PLC

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2015

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

Profit on ordinary activities before taxation decreased by £1,159,945 (93.0%) to £87,378 from £1,247,323, with Gross Sales decreasing by 35.0% from £22.17m to £14.40m with statutory turnover (commission and fees) decreasing by 15.8% from £8,276,811 to £6,969,305.

This significant reduction in both turnover and profits resulted primarily from a loss of our largest motor insurance account in September 2014.

Future outlook

Trading will still continue to be challenging for the whole of 2015/16, as the Group develops and gains new deals to replace the turnover and margins lost in 2014/15. The Group is rebalancing 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.

Since the year end the Group has renewed its Pet Insurance Capacity, with a Top 3 UK Insurer and taken a 30% investment in Valeos (2013) Limited, a provider of key protection services.

Principal risks and uncertainties

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

Financial risk management policies adopted by the group are disclosed in note 16 along with the principal risks and uncertainties, which have been identified by management as facing the group. 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.

NCI VEHICLE RESCUE PLC
STRATEGIC REPORT
YEAR ENDED 31 MARCH 2015

Principal risks and uncertainties (continued)

- 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.
- 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)

NCI 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.

Profitability

In order to be successful, NCI 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.

Signed on behalf of the directors



Mr PM Barrett

Company Secretary

Approved by the directors on 31/12/15

NCI VEHICLE RESCUE PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 MARCH 2015

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 March 2015.

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 2015 to 2016 is contained in the strategic report in pages 2 and 3.

FUTURE DEVELOPMENTS

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

RESULTS AND DIVIDENDS

The Group's profit for the year, after taxation, amounted to £64,560. Particulars of dividends paid are detailed in note 8 to financial statements.

FINANCIAL INSTRUMENTS

Details of the group's financial risk management objectives and policies are included in note 16 to the financial statements.

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	At
	31 March 2015	1 April 2014
Neil Richards-Smith	2,480,770	2,480,770
Craig Duwell	2,115,055	2,127,055
C Richard Jackson	771,217	616,217
Richard Sharman	525,875	536,375
Paul Barrett	117,500	115,100
Craig Astbury	94,642	94,975
	<u>2,406,542</u>	<u>2,061,441</u>

SUBSTANTIAL SHAREHOLDINGS

As at the date of signing the financial statements, 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
Neil Richards-Smith	2,406,542	23.60%
Craig Duwell	2,061,441	20.22%
Cardale Nominees Limited	1,513,719	14.84%
Pershing Nominees Limited	958,834	9.40%
C R Jackson	771,217	7.56%
Richard Sharman	525,875	5.16%
T Larman	433,333	4.25%

NCI VEHICLE RESCUE PLC
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 MARCH 2015

FINANCIAL RISK MANAGEMENT

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

POLICY ON THE PAYMENT OF CREDITORS

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

The rate, expressed in days, between the amounts invoiced to the group by its suppliers in the year and the amount owing to trade and other creditors at the year end was 30 days (2014: 30 days).

CORPORATE GOVERNANCE

The company withdrew their ordinary share capital from the ICAP Securities & Derivatives Exchange (ISDX) on the 13th February 2015. ISDX is a market operated by The ICAP Securities & Derivatives Exchange Limited incorporating a primary market for shares of small and medium-sized companies. The ICAP Securities & Derivatives Exchange Limited is a recognized Investment Exchange under the Financial Services and Markets Act 2000, a recognised Stock Exchange under S1005(1)(b) Income Tax Act 2007 and a member of the ICAP Group.

INTERNAL CONTROL

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

REMUNERATION COMMITTEE

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

GOING CONCERN

The 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. Note 16 to the financial statements include the group's objectives for managing its financial risk.

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

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2015

PROVISION OF INFORMATION TO AUDITOR

In so far as the directors are aware:

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

DONATIONS

During the year the group made the following contributions:

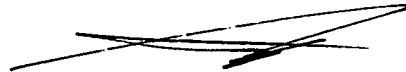
	2015	2014
	£	£
Charitable donations	<u>3,827</u>	<u>10,383</u>
Political donations	<u>1,000</u>	<u>–</u>

AUDITOR

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

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

Signed by order of the Directors



NEIL RICHARDS-SMITH
Director

Approved by the Directors on 31/03/15

NCI VEHICLE RESCUE PLC
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 MARCH 2015

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

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

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

NCI VEHICLE RESCUE PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NCI VEHICLE RESCUE PLC

YEAR ENDED 31 MARCH 2015

We have audited the group and parent company financial statements ("the financial statements") of NCI Vehicle Rescue Plc for the year ended 31 March 2015 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and 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 Parent company's affairs as at 31 March 2015 and of the Group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- The group financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

NCI VEHICLE RESCUE PLC

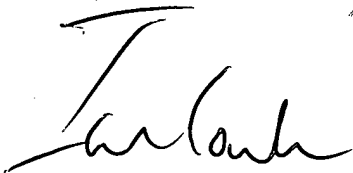
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NCI VEHICLE RESCUE PLC

YEAR ENDED 31 MARCH 2015

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



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

4 December 2015

1 Westferry Circus
Canary Wharf
London
E14 4HD

NCI VEHICLE RESCUE PLC
GROUP PROFIT AND LOSS ACCOUNT
31 MARCH 2015

	Note	2015 £	2014 £
GROUP TURNOVER	2	6,969,305	8,276,811
Cost of sales		<u>(2,661,625)</u>	<u>(3,219,097)</u>
GROSS PROFIT		4,307,680	5,057,714
Administrative expenses		<u>(4,229,506)</u>	<u>(3,824,083)</u>
OPERATING PROFIT	3	78,174	1,233,631
Interest receivable		<u>9,204</u>	13,692
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		87,378	1,247,323
Tax on profit on ordinary activities	6	<u>(22,818)</u>	<u>(300,016)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>64,560</u>	<u>947,307</u>

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

The Company has no recognised gains or losses in the year other than the profit for the year.

The notes on pages 14 to 28 form part of these financial statements.


NCI VEHICLE RESCUE PLC

GROUP BALANCE SHEET

31 MARCH 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Intangible assets	9	116,804	125,157
Tangible assets	10	302,581	249,318
		<u>419,385</u>	<u>374,475</u>
CURRENT ASSETS			
Debtors	12	1,703,360	1,938,436
Cash at bank and in hand		1,410,153	2,711,359
		<u>3,113,513</u>	<u>4,649,795</u>
CREDITORS: Amounts falling due within one year	13	<u>(1,721,694)</u>	<u>(3,030,903)</u>
NET CURRENT ASSETS		<u>1,391,819</u>	<u>1,618,892</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,811,204</u>	<u>1,993,367</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	14	(49,767)	(33,244)
		<u>1,761,437</u>	<u>1,960,123</u>
CAPITAL AND RESERVES			
Called-up share capital	20	101,969	101,800
Share premium account	21	677,607	649,107
Share options reserve	21	57,789	63,722
Capital redemption reserve	21	2,581	1,750
Profit and loss account	21	921,491	1,143,744
SHAREHOLDERS' FUNDS	22	<u>1,761,437</u>	<u>1,960,123</u>

These financial statements were approved by the directors and authorised for issue by the board on 31/03/15 and are signed on their behalf by:


CRAIG DUWELL


NEIL RICHARDS-SMITH

Company Registration Number: 05052874

The notes on pages 14 to 28 form part of these financial statements.

NCI VEHICLE RESCUE PLC

COMPANY BALANCE SHEET

31 MARCH 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	10	202,922	215,857
Investments	11	213,003	213,003
		<u>415,925</u>	<u>428,860</u>
CURRENT ASSETS			
Debtors	12	585,687	489,922
Cash at bank and in hand		216,576	457,330
		<u>802,263</u>	<u>947,252</u>
CREDITORS: Amounts falling due within one year	13	(269,994)	(262,426)
NET CURRENT ASSETS		<u>532,269</u>	<u>684,826</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>948,194</u>	<u>1,113,686</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	14	(30,112)	(26,571)
		<u>918,082</u>	<u>1,087,115</u>
CAPITAL AND RESERVES			
Called-up share capital	20	101,969	101,800
Share premium account	21	677,607	649,107
Share options reserve	21	57,789	63,722
Capital redemption reserve	21	2,581	1,750
Profit and loss account	21	78,136	270,736
SHAREHOLDERS' FUNDS	22	<u>918,082</u>	<u>1,087,115</u>

These financial statements were approved by the directors and authorised for issue by the board on 31.03.15 and are signed on their behalf by:


CRAIG DUWELL


NEIL RICHARDS-SMITH

Company Registration Number: 05052874

The notes on pages 14 to 28 form part of these financial statements.

NCI VEHICLE RESCUE PLC
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	23	(752,873)	1,774,162
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	23	9,204	13,692
TAXATION	23	(134,880)	(467,438)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	23	(165,344)	(171,183)
EQUITY DIVIDENDS PAID		(193,741)	(184,800)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		<u>(1,237,634)</u>	<u>964,433</u>
FINANCING	23	(63,572)	(183,750)
(DECREASE)/INCREASE IN CASH	23	<u><u>(1,301,206)</u></u>	<u><u>780,683</u></u>

The notes on pages 14 to 28 form part of these financial statements.

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

Basis of accounting

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

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over its expected useful life from the year of acquisition. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. Profits or losses on intra group transactions are eliminated on consolidation. The associated undertaking Follifoot Lane Limited has been excluded from the group's consolidated financial statements as the directors deem it to be immaterial to the group.

Turnover

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

Income from vehicle breakdown is generally taken at the earlier of the date of breakdown cover being provided to customer or at point of sale.

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 incepting 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.

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.

Dividends payable

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

Pension costs

The group operates a defined contribution scheme. The pension charge represents the amounts payable by the group to the fund in respect of the year.

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES *(continued)*

Goodwill and amortisation

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

In accordance with Financial Reporting Standard 10 (Goodwill and intangible assets) the carrying value of goodwill is reviewed where there are indications of impairment, on the basis stipulated in Financial Reporting Standard 11 (Impairment of fixed Assets and Goodwill), and adjusted to its recoverable amount.

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

Tangible fixed assets

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

Depreciation

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

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

Operating lease agreements

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

Taxation

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

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

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

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

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

NCI VEHICLE RESCUE PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES *(continued)*

Share based payments

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

Financial instruments

Investments

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

Investments in subsidiary undertakings are carried at cost in the parent Company's balance sheet less any provision for impairment.

Trade and other debtors

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

Cash and cash equivalents

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

2. TURNOVER

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

	2015 £	2014 £
United Kingdom	<u>6,969,305</u>	<u>8,276,811</u>

SEGMENTAL ANALYSIS

Class of Business :	Vehicle Rescue		Insurance		Group	
	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£
Turnover	4,379,641	3,462,361	2,589,664	4,814,450	6,969,305	8,276,811
Profit/(loss) on ordinary activities before taxation	560,133	198,186	(472,755)	1,049,137	87,378	1,247,323
Segment net assets	1,616,835	1,235,041	144,602	725,082	1,761,437	1,960,123

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

3. OPERATING PROFIT

Operating profit is stated after charging:

	2015	2014
	£	£
Amortisation	8,353	8,353
Depreciation of owned fixed assets	112,081	86,574
Auditor's remuneration		
- as auditor	52,260	45,335
Operating lease rentals payable – land and buildings	95,940	78,138
Operating lease rentals payable – motor vehicles	35,113	25,547
	<u>201,747</u>	<u>234,947</u>

4. PARTICULARS OF EMPLOYEES

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

	2015	2014
	No	No
Administrative staff	95	86
Management	6	6
	<u>101</u>	<u>92</u>

The aggregate payroll costs of the above were:

	2015	2014
	£	£
Wages and salaries	2,323,724	2,200,786
Social security costs	209,373	196,841
Pension costs	51,894	33,316
	<u>2,584,991</u>	<u>2,430,943</u>

5. DIRECTORS' EMOLUMENTS

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

	2015	2014
	£	£
Emoluments receivable	527,581	531,346
Pension costs	40,246	24,051
	<u>567,827</u>	<u>555,397</u>

As disclosed in Note 18 Transactions with the Directors, £23,458 (2014: £25,500) was paid to directors through service companies rendered to the group.

The number of Directors accruing benefits under a defined contribution scheme are 5 (2014 - 5)

During the year 100,000 share options were exercised by a director at an exercise price of £0.295 per share.

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

5. DIRECTORS' EMOLUMENTS *(continued)*

Remuneration of highest paid director:

	2015	2014
	£	£
Total remuneration (including benefits in kind & share based payments)	111,355	127,281
Pension contribution	12,328	6,250
	<u>123,683</u>	<u>133,531</u>

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2015	2014
	£	£
Current tax:		
UK Corporation tax based on the results for the year:	6,295	286,721
Under provision in prior year	–	31
Total current tax	<u>6,295</u>	<u>286,752</u>
Deferred tax:		
Origination and reversal of timing differences (note 14)	16,523	13,264
Total current tax	<u>22,818</u>	<u>300,016</u>

b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2014 - 23%).

	2015	2014
	£	£
Profit on ordinary activities before taxation	<u>87,378</u>	<u>1,247,323</u>
Profit on ordinary activities at standard rate of tax	17,476	286,884
Expenses not deductible for tax purposes	6,355	20,112
Capital allowances for period in excess of depreciation	(12,984)	(17,274)
Under provision in prior year	–	31
Losses utilised	(4,552)	–
Other reconciling items	–	(3,001)
Total current tax (note 6(a))	<u>6,295</u>	<u>286,752</u>

NCI VEHICLE RESCUE PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

7. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

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

The profit dealt with in the financial statements of the parent company was £94,213 (2014 – £487,449).

8. DIVIDENDS

Equity dividends

	2015 £	2014 £
Paid		
Equity dividends paid	<u>193,741</u>	<u>184,800</u>

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 April 2014 and 31 March 2015	<u>167,068</u>
AMORTISATION	
At 1 April 2014	41,911
Charge for the year	<u>8,353</u>
At 31 March 2015	<u>50,264</u>
NET BOOK VALUE	
At 31 March 2015	<u>116,804</u>
At 31 March 2014	<u>125,157</u>

The goodwill is being amortised evenly over the directors' estimate of its expected useful life of 20 years.

NCI VEHICLE RESCUE PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

10. TANGIBLE FIXED ASSETS

Group	Improvements to Leasehold Property £	Software and Website Development £	Equipment £	Total £
COST				
At 1 April 2014	171,346	93,374	218,001	482,721
Additions	–	64,200	101,144	165,344
At 31 March 2015	171,346	157,574	319,145	648,065
DEPRECIATION				
At 1 April 2014	74,565	61,020	97,818	233,403
Charge for the year	34,269	23,553	54,259	112,081
At 31 March 2015	108,834	84,573	152,077	345,484
NET BOOK VALUE				
At 31 March 2015	62,512	73,001	167,068	302,581
At 31 March 2014	96,781	32,354	120,183	249,318
Company				
	Improvements to Leasehold Property £	Software and Website Development £	Equipment £	Total £
COST				
At 1 April 2014	171,346	5,664	185,991	363,001
Additions	–	–	67,444	67,444
At 31 March 2015	171,346	5,664	253,435	430,445
DEPRECIATION				
At 1 April 2014	74,565	1,133	71,446	147,144
Charge for the year	34,269	1,133	44,977	80,379
At 31 March 2015	108,834	2,266	116,423	227,523
NET BOOK VALUE				
At 31 March 2015	62,512	3,398	137,012	202,922
At 31 March 2014	96,781	4,531	114,545	215,857

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

11. INVESTMENTS

Company	Group companies £	Associated undertakings £	Total £
COST			
At 1 April 2014 and 31 March 2015	<u>213,003</u>	<u>250,000</u>	<u>463,003</u>
AMOUNTS WRITTEN OFF			
At 1 April 2014 and 31 March 2015	<u>–</u>	<u>(250,000)</u>	<u>(250,000)</u>
NET BOOK VALUE			
At 31 March 2015	<u>213,003</u>	<u>–</u>	<u>213,003</u>
At 31 March 2014	<u>213,003</u>	<u>–</u>	<u>213,003</u>

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

Apart from Follifoot Lane Limited, the above subsidiary undertakings have been consolidated in the group financial statements.

12. DEBTORS

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Trade debtors	1,166,204	1,743,126	–	–
Amounts owed by group undertakings	–	–	395,006	385,644
VAT recoverable	–	–	–	2,325
Other debtors	313,560	3,981	55,956	3,984
Directors current accounts	3,217	1,938	1,859	581
Prepayments and accrued income	220,379	189,391	132,866	97,388
	<u>1,703,360</u>	<u>1,938,436</u>	<u>585,687</u>	<u>489,922</u>

The directors benefited from overdrawn loan accounts during the year. At the year end, Mr N Richards-Smith owed £1,693 (2014 - £1,357), Mr R Sharman owed £656 (2014 - £581), Mr C Duwell owed £732 (2014 - £nil) and Mr C Astbury £136 (2014 - £nil). There was no interest charged on these overdrawn accounts.

NCI VEHICLE RESCUE PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

13. CREDITORS: Amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	617,300	1,844,696	121,339	80,953
Other creditors including taxation and social security:				
Corporation tax	486	129,071	–	–
PAYE and social security	102,845	142,871	104,648	55,218
Other creditors	282,645	137,299	11,043	10,341
Accruals and deferred income	718,418	776,966	32,964	115,914
	<u>1,721,694</u>	<u>3,030,903</u>	<u>269,994</u>	<u>262,426</u>

14. DEFERRED TAXATION

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Provision brought forward	33,244	19,980	26,571	9,325
Increase in provision (note 6)	16,523	13,264	3,541	17,246
	<u>49,767</u>	<u>33,244</u>	<u>30,112</u>	<u>26,571</u>

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

Group	2015		2014	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	50,442	–	39,255	–
Tax losses available	(675)	–	(6,011)	–
	<u>49,767</u>	<u>–</u>	<u>33,244</u>	<u>–</u>

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

Company	2015		2014	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	30,787	–	32,582	–
Tax losses available	(675)	–	(6,011)	–
	<u>30,112</u>	<u>–</u>	<u>26,571</u>	<u>–</u>

NCI VEHICLE RESCUE PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

15. 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 and options over 100,000 shares with an exercise price of 29.5p were exercised by N Richards-Smith 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 credit to expenses of £5,933 (2014: charge £21,828) 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. See note 22 for the total expense recognised in the profit and loss account for share options granted to directors and employees.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

NCI VEHICLE RESCUE PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

17. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2015 the group had annual commitments under non-cancellable operating leases as set out below.

Group and Company	Motor Vehicles		Land and buildings	
	2015 £	2014 £	2015 £	2014 £
Operating leases which expire:				
Within 1 year	2,041	4,496	103,719	–
Within 2 to 5 years	22,297	22,451	–	103,719
	<u>24,338</u>	<u>26,947</u>	<u>103,719</u>	<u>103,719</u>

18. TRANSACTIONS WITH THE DIRECTORS

During the year the directors undertook the following transactions:

	Neil Richards-Smith £	Craig Duwell £	Richard Sharman £	Craig Astbury £
Opening balance	1,357	–	581	–
Advances in year	–	–	–	–
Private expenses	1,661	921	222	136
Amounts repaid	(1,325)	(189)	(147)	–
Closing balance	<u>1,693</u>	<u>732</u>	<u>656</u>	<u>136</u>

During the year the company paid £nil (2014: £1,500) to Barrett Laycock Financial Management Limited a company owned by Paul Barrett and £23,458 (2014: £24,000) to CRJ Properties, a company owned by C R Jackson.

19. 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 company paid £18,249 (net of VAT) and owed £2,501 (2014: 1,237) at the year end to Wonder Media Limited, a company in which the wife of Mr C Astbury is a director and major shareholder.

During the year the company paid £111,033 in dividends to the Directors.

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

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

20. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £0.01 each	<u>10,196,898</u>	<u>101,969</u>	<u>10,179,998</u>	<u>101,800</u>

During the year the company bought back and cancelled 83,100 shares for a value of £93,072. In addition Mr N Richards-Smith exercised his share option and acquired 100,000 ordinary shares at £0.295 per share.

21. RESERVES

Group	Share premium account £	Capital redemption reserve £	Share options reserve £	Profit and loss account £
Balance as at 1 April 2014	649,107	1,750	63,722	1,143,744
Profit for the year	–	–	–	64,560
Equity dividends	–	–	–	(193,741)
Purchase of own shares	–	–	–	(92,241)
Transfer to capital redemption reserve	–	831	–	(831)
Share premium arising in shares issued	28,500	–	–	–
Recognition of equity-settled share-based payments in the year	–	–	(5,933)	–
Balance as at 31 March 2015	<u>677,607</u>	<u>2,581</u>	<u>57,789</u>	<u>921,491</u>

Company	Share premium account £	Capital redemption reserve £	Share options reserve £	Profit and loss account £
Balance as at 1 April 2014	649,107	1,750	63,722	270,736
Profit for the year	–	–	–	94,213
Equity dividends	–	–	–	(193,741)
Purchase of own shares	–	–	–	(92,241)
Transfer to capital redemption reserve	–	831	–	(831)
Share premium arising in shares issued	28,500	–	–	–
Recognition of equity-settled share-based payments in the year	–	–	(5,933)	–
Balance as at 31 March 2015	<u>677,607</u>	<u>2,581</u>	<u>57,789</u>	<u>78,136</u>

NCI VEHICLE RESCUE PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2015	2014
	£	£
Profit for the financial year	64,560	947,307
New ordinary share capital subscribed	1,000	–
Share premium arising in shares issued	28,500	–
Equity dividends (note 8)	(193,741)	(184,800)
Purchase of own shares	(93,072)	(183,750)
Recognition of equity-settled share-based payments in the year	(5,933)	21,828
	<hr/>	<hr/>
Net (reduction)/addition to shareholders' funds	(198,686)	600,585
Opening shareholders' funds	1,960,123	1,359,538
	<hr/>	<hr/>
Closing shareholders' funds	1,761,437	1,960,123
	<hr/>	<hr/>
Company	2015	2014
	£	£
Profit for the financial year	94,213	487,449
New ordinary share capital subscribed	1,000	–
Share premium arising in shares issued	28,500	–
Equity dividends (note 8)	(193,741)	(184,800)
Purchase of own shares	(93,072)	(183,750)
Recognition of equity-settled share-based payments in the year	(5,933)	21,828
	<hr/>	<hr/>
Net (reduction)/addition to shareholders' funds	(169,033)	140,727
Opening shareholders' funds	1,087,115	946,388
	<hr/>	<hr/>
Closing shareholders' funds	918,082	1,087,115
	<hr/>	<hr/>

23. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Operating profit	78,174	1,233,631
Amortisation	8,353	8,353
Depreciation	112,081	86,574
Decrease/(increase) in debtors	235,076	(494,159)
(Decrease)/increase in creditors	(1,180,624)	917,935
Salary costs (non cash) in respect of share based payments	(5,933)	21,828
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(752,873)	1,774,162
	<hr/>	<hr/>

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

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

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2015 £	2014 £
Interest received	<u>9,204</u>	<u>13,692</u>
Net cash inflow from returns on investments and servicing of finance	<u><u>9,204</u></u>	<u><u>13,692</u></u>

TAXATION

	2015 £	2014 £
Taxation	<u>(134,880)</u>	<u>(467,438)</u>

CAPITAL EXPENDITURE

	2015 £	2014 £
Payments to acquire tangible fixed assets	<u>(165,344)</u>	<u>(171,183)</u>
Net cash outflow from capital expenditure	<u><u>(165,344)</u></u>	<u><u>(171,183)</u></u>

FINANCING

	2015 £	2014 £
Issue of share capital including premium	1,000	–
Share premium on issue of equity share capital	28,500	–
Purchase of own shares	<u>(93,072)</u>	<u>(183,750)</u>
Net cash outflow from financing	<u><u>(63,572)</u></u>	<u><u>(183,750)</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2015 £	2014 £
(Decrease)/increase in cash in the year	<u>(1,301,206)</u>	<u>780,683</u>
Change in net funds	<u>(1,301,206)</u>	<u>780,683</u>
Net funds at 1 April 2014	<u>2,711,359</u>	<u>1,930,676</u>
Net funds at 31 March 2015	<u><u>1,410,153</u></u>	<u><u>2,711,359</u></u>

NCI VEHICLE RESCUE PLC
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23. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2014 £	Cash flows £	At 31 Mar 2015 £
Net cash:			
Cash at bank and in hand	2,711,359	(1,301,206)	1,410,153
	<u>2,711,359</u>	<u>(1,301,206)</u>	<u>1,410,153</u>
Net funds	<u>2,711,359</u>	<u>(1,301,206)</u>	<u>1,410,153</u>

24. CAPITAL COMMITMENTS

The company has no capital commitments at the year end.