

# The Rescue Service Limited

UNAUDITED

FINANCIAL STATEMENTS

for the year to

31 December 2013



# The Rescue Service Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

S R M Tidd  
M H Giblin

### SECRETARY

N Fanthome-Hodgson

### REGISTERED OFFICE

Eridge House  
1 Linden Close  
Tunbridge Wells  
TN4 8HH

### BANKERS

Svenska Handelsbanken AB publ  
7<sup>th</sup> Floor, Seacourt Tower  
West Way  
Botley  
Oxford OX2 0JJ

### SOLICITORS

Thomson, Snell & Passmore  
3 Lonsdale Gardens  
Tunbridge Wells  
Kent  
TN1 1NX

# The Rescue Service Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of the company for the year to 31 December 2013

### PRINCIPAL ACTIVITIES

The principal activity of the company during the period was the provision of claims handling services in respect of roadside assistance

### BUSINESS REVIEW

The road rescue market is dominated by a small number of large companies. The Rescue Service provides a high quality alternative to these larger organisations, working closely with its business partners and suppliers to provide a tailored package for their customers.

The business links a quality network of agents with customers in difficulty through a 24/7 claims operation in Leeds. The customer experience at the time of breakdown is at the centre of the philosophy and the company continuously achieves exceptionally high rates of customer satisfaction. It is recognised that the breakdown experience is often key to a customer's overall impression of a business partner's quality of service and therefore The Rescue Service positions itself to go the extra mile to meet customers' expectations at the time of claim.

The above philosophy and approach comes at a cost, and therefore The Rescue Service is not the lowest cost provider on the market, it benchmarks itself as having a higher quality of service than all the main providers and has demonstrated excellent customer retention on behalf of its clients.

Turnover increased by 28% this year created by both organic growth and the winning of a number of new contracts. Business development has been good throughout the 2013 year as the company has continued to target clients with customer numbers in the 3,000 to 30,000 range. The development strategy was adopted in 2011 and has helped turn the business around and reach the critical mass necessary to begin to thrive.

The company will continue to develop and grow its roadside assistance proposition through 2014 whilst at the same time will utilise the increased headcount now in place to provide additional 24/7 services to its clients, especially during off peak periods.

Our operating loss reduced from £87,225 in 2012 to £21,025 in 2013 due to the increased turnover and tight control of costs. The company made an overall loss in the year of £62,999 (2012 profit of £187,456). The 2012 result included an exceptional income of £323k, therefore the underlying loss for the year has improved from £136k to £63k.

### THE DIRECTORS OF THE COMPANY

The directors who served the company during the period were as follows:

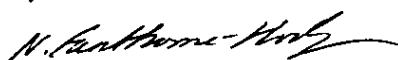
S R M Tidd  
M H Giblin

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable for companies entitled to the small companies exemption.

Registered office  
Eridge House  
1 Linden Close  
Tunbridge Wells  
TN4 8HH

By order of the board



N Fanthome-Hodgson

Company Secretary

28 February 2014

# The Rescue Service Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2013

	Notes	2013 £	2012 £
TURNOVER		850,229	662,481
Administrative expenses		<u>871,254</u>	<u>749,706</u>
OPERATING LOSS	1	(21,025)	(87,225)
Exceptional Income	11	-	323,500
Interest receivable and similar income		<u>84</u>	<u>118</u>
		(20,941)	236,393
Interest payable and similar charges	3	<u>(42,058)</u>	<u>(48,937)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(62,999)	187,456
Taxation	4	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	10	<u>(62,999)</u>	<u>187,456</u>

The operating loss for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

# The Rescue Service Limited

## BALANCE SHEET

31 December 2013

Company Registration Number 6640602

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	5	11,456	15,689
CURRENT ASSETS			
Debtors	6	429,517	313,892
Cash at bank and in hand		621	5,877
		430,138	319,769
CREDITORS			
Amounts falling due within one year	7	2,116,167	1,947,032
NET CURRENT LIABILITIES		(1,686,029)	(1,627,263)
NET LIABILITIES		(1,674,573)	(1,611,574)
CAPITAL AND RESERVES			
Called up share capital	9	400	400
Profit and loss account	10	(1,674,973)	(1,611,974)
EQUITY SHAREHOLDERS' DEFICIT		(1,674,573)	(1,611,574)

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act

The directors acknowledge their responsibilities for complying with the requirements of this Act with respect to accounting records and the preparation of accounts

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements on pages 3 to 8 were approved by the directors and authorised for issue on 28 February 2014 and are signed on their behalf by



S R M Tidd  
Director

# The Rescue Service Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (April 2008)

### GOING CONCERN

The company meets its day to day working capital requirements through support from related companies

The financial statements have been prepared on the going concern basis, which assumes the continuation of the above support for the foreseeable future

Should the company be unable to meet its liabilities as they fall due, adjustments would have to be made to restate fixed assets as current assets and reduce the value of assets to their recoverable amounts and to provide for any further liabilities as they arise

### TURNOVER

Turnover represents commissions receivable, which are based on policies processed during the period

The turnover shown in the profit and loss account represents amounts exclusive of VAT

### FIXED ASSETS

All fixed assets are initially recorded at cost

### DEPRECIATION

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

Fixtures & fittings	-	25% straight line
Office equipment	-	25% straight line
Computer equipment	-	33% straight line

### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its 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 is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

### PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account. Included in accruals at the year end is £4,698 (2012: £3,547) payable to the scheme

### FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

ACCOUNTANTS' REPORT ON THE UNAUDITED FINANCIAL STATEMENTS  
TO THE DIRECTORS OF THE RESCUE SERVICE LIMITED

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1 OPERATING LOSS

Operating loss is stated after charging

	2013	2012
	£	£
Depreciation of owned fixed assets	6,005	13,150
Operating leases – land and buildings	<u>40,689</u>	<u>40,309</u>

2 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2013	2012
	£	£
Directors' salaries and benefits in kind	-	97,493
Value of company pension contributions to money purchase schemes	-	21,856
	<u>-</u>	<u>119,349</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2013	2012
	No	No
Money purchase schemes	<u>-</u>	<u>2</u>

3 INTEREST PAYABLE

	2013	2012
	£	£
Bank interest payable	6	51
Interest payable to related companies	<u>42,052</u>	<u>48,886</u>
	<u>42,058</u>	<u>48,937</u>

4 TAXATION ON ORDINARY ACTIVITIES

There is no tax charge in the accounts due to the losses made in the period. The company has tax losses from this and previous years of approximately £1,500,000, but has not recognised a deferred tax asset in the balance sheet.

ACCOUNTANTS' REPORT ON THE UNAUDITED FINANCIAL STATEMENTS  
TO THE DIRECTORS OF THE RESCUE SERVICE LIMITED

5 TANGIBLE FIXED ASSETS

	Computer Equipment	Fixtures & Fittings £	Office Equipment £	Total £
Cost				
At 1 January 2013	275,349	26,566	30,449	332,364
Additions	1,328	161	283	1,772
At 31 December 2013	<u>276,677</u>	<u>26,727</u>	<u>30,732</u>	<u>334,136</u>
Depreciation				
At 1 January 2013	267,433	19,545	29,697	316,675
Charge for the period	3,118	2,140	747	6,005
At 31 December 2013	<u>270,551</u>	<u>21,685</u>	<u>30,444</u>	<u>322,680</u>
Net book value				
At 31 December 2013	<u>6,126</u>	<u>5,042</u>	<u>288</u>	<u>11,456</u>
At 31 December 2012	<u>7,916</u>	<u>7,021</u>	<u>752</u>	<u>15,689</u>

6 DEBTORS

	2013 £	2012 £
Trade debtors	400,683	268,141
Other debtors	28,834	45,751
	<u>429,517</u>	<u>313,892</u>

7 CREDITORS Amounts falling due within one year

	2013 £	2012 £
Bank overdraft	17,917	-
Trade creditors	63,166	52,668
Other creditors	2,021,485	1,881,916
Other taxation and social security	13,599	12,448
	<u>2,116,167</u>	<u>1,947,032</u>

# ACCOUNTANTS' REPORT ON THE UNAUDITED FINANCIAL STATEMENTS TO THE DIRECTORS OF THE RESCUE SERVICE LIMITED

## 8 RELATED PARTY TRANSACTIONS

The company is engaged in an Agreement with Service Underwriting Agency Limited, a company registered in England and Wales and which falls under the definition of a related party by virtue of the companies having two common directors. The Agreement sub-contracts the responsibility for the handling of road rescue claims arising from the insurance business written by Service Insurance Company Limited and Mulsanne Insurance Company Limited.

Under the Agreement, commissions of £804,384 (2012 £534,998) were paid to the company during the year. Included in creditors at the year end is £1,038,139 (2012 £1,063,261) due to Service Underwriting Agency Limited in respect of funding for set up and the on-going running costs involved in building the business. This balance attracted loan interest at 2.5% over base rate. Loan interest accrued during the year to Service Underwriting Agency Limited was £31,552 (2012 £30,511). Included in debtors at the year end is £297,354 (2012 £191,024) owed by Service Underwriting Agency Limited. Loan interest accrued at the year end was £160,540 (2012 £128,988). Included in trade creditors at the year end is £23,306 (2012 £498) owed to Service Underwriting Agency Limited. During the year the company received £31,500 (2012 £nil) from Service Underwriting Agency Limited in respect of outsourced administration services.

The company has received working capital funding from Mayfield Equity Limited, a company related by virtue of owning 50% of the company's share capital. The balance on this loan was £350,000 (2012 £350,000) at the year end. The loan attracts interest at 2.5% over base rate. Loan interest accrued during the year was £10,500 (2012 £10,500). Loan interest accrued at the year end was £34,125 (2012 £23,625).

No further transactions were undertaken with related parties such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities.

## 9 SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
Ordinary shares of £1 each	400	400
	<u>400</u>	<u>400</u>

## 10 PROFIT AND LOSS ACCOUNT

	2013 £	2012 £
At 1 January 2013	(1,611,974)	(1,799,430)
Retained (loss)/profit for the financial year	(62,999)	187,456
At 31 December 2013	<u>(1,674,973)</u>	<u>(1,611,974)</u>

## 11 EXCEPTIONAL INCOME

There was no exceptional income in 2013. The comparative figure resulted from the final settlement of the company's loan with Keystone Claims Operations Limited, who accepted £47,500 in settlement of a loan totalling £371,000, generating an income of £323,500.

## 12 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	2013 Land and Buildings £	2012 Land and Buildings £
Operating leases which expire		
Within 2 to 5 years	<u>37,727</u>	<u>37,542</u>

## ACCOUNTANTS' REPORT ON THE UNAUDITED FINANCIAL STATEMENTS TO THE DIRECTORS OF THE RESCUE SERVICE LIMITED

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of The Rescue Service Limited which comprise the Profit and Loss Account, Balance Sheet, principal Accounting Policies and the related notes as set out on pages 3 to 8 from the company's accounting records and from information and explanations you have given us

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>

This report is made solely to the directors of The Rescue Service Limited as a body, in accordance with the terms of our engagement letter dated 17 April 2012. Our work has been undertaken solely to prepare for your approval the financial statements of The Rescue Service Limited and state those matters that we have agreed to state to them in accordance with AAF 2/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against Baker Tilly Tax and Accounting Limited for any purpose or in any context. Any party other than the directors which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, Baker Tilly Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

It is your duty to ensure that The Rescue Service Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of The Rescue Service Limited under the Companies Act 2006. You consider that The Rescue Service Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of The Rescue Service Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

*Baker Tilly Tax and Accounting limited*

BAKER TILLY TAX AND ACCOUNTING LIMITED  
Chartered Accountants  
Hanover House  
18 Mount Ephraim Road  
Tunbridge Wells  
Kent TN1 1ED

28 February 2014