

Registered number: 07372476

**RDS Driving Services Limited**  
**Directors' report and financial statements**  
**31 July 2015**



# **RDS Driving Services Limited**

## **Company information**

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<b>Directors</b>	D Cowan (resigned 5 June 2015) P Weston (appointed 5 June 2015) I McIntosh (appointed 17 September 2015)
<b>Company secretary</b>	S Clarke
<b>Registered number</b>	07372476
<b>Registered office</b>	Pavilion 12 Coleman's Nook Belasis Hall Technology Park Billingham Cleveland TS23 4EG
<b>Independent auditor</b>	UNW LLP Chartered Accountants Citygate St James Boulevard Newcastle upon Tyne NE1 4JE

# **RDS Driving Services Limited**

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# **RDS Driving Services Limited**

## **Strategic report**

**Year ended 31 July 2015**

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### **Principal activities**

The principal activity of the company during the year was that of the provision of driving related services, including a franchised driving school, provision of driver instructor training, accounting services and publishing.

### **Business review**

The results for the year show a significant improvement on the prior year and a continuation of the trend over recent years moving the business from significant losses into profit, with operating results improving by £1.1m year on year. This is a clear demonstration that the strategic and operational changes implemented over recent years are now delivering the results expected by the directors.

The reputation of the RED brand continues to grow in stature and is fast becoming a household name countrywide. This is clearly reflected in the steadily growing volume of prepaid lesson packages we are now able to sell every week on behalf of our franchised instructor partners who, as a result, benefit from busy diaries, committed students and lesson prices commensurate with a quality product.

The cost base of the business is always under constant review and remains stable, scalable and appropriate to the level of business which has relieved pressure on cash flows and allowed the directors to focus successfully on improving and developing new and existing income streams for the company.

During the year the investor loan notes were converted in their entirety to share capital and the accrued interest thereon waived. This capitalisation, along with the strong trading performance during the year, has had a material impact on the balance sheet position of the company and hence its ability to access financing facilities for capital and other development projects. The company ended the year with net funds of £0.1m, versus net debt of £16.5m last year.

### **Financial key performance indicators**

The company monitors day-to-day results by reference to key performance indicators, focusing on turnover and operating profit margins. These indicators are compared to budget at periodic management meetings with significant variances investigated.

### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks and uncertainties. Risks are formally reviewed by the board and appropriate processes are put in place to monitor and mitigate them.

#### ***Competition risk***

The company operates in a competitive market, particularly with regard to price and service quality, and there is a risk that the company may not meet its customer expectations in these areas. In order to mitigate this risk, market prices are monitored on an ongoing basis. Service quality is monitored by the directors regularly to ensure the company has plans in place to continue to provide differentiated value in this important area.

## **RDS Driving Services Limited**

**Strategic report (continued)**  
**Year ended 31 July 2015**

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### ***Liquidity risk***

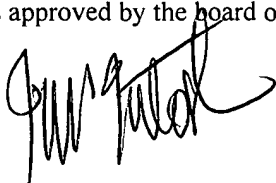
Liquidity risk reflects the risk that the company will have insufficient resources to meet its financial liabilities as they fall due. The company monitors liquidity forecasts on a daily basis to ensure that the company has sufficient funds to meet all its potential financial liabilities as they fall due. This is true not only of normal market conditions but also of negative projections against expected outcomes.

The directors also continually assess the balance of capital and debt funding of the company. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, indicate that the company will continue to be able to operate within its finance facilities.

### ***Future developments***

Looking forward to 2016, the directors anticipate that trading performance will continue to improve, with the full impact of changes made during the year under review feeding through to both the profit and loss account and the cashflows of the business. This will continue to drive the business towards the overarching objective of being the leading provider of services to the driving tuition industry.

This report was approved by the board on 10 November 2015 and signed on its behalf by:



**I McIntosh**  
Director

# **RDS Driving Services Limited**

## **Directors' report**

**Year ended 31 July 2015**

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The directors present their report and financial statements for the year ended 31 July 2015.

### **Results**

The profit for the year, after taxation, amounted to £519,210 (2014 - loss of £608,778).

### **Directors**

The directors who served during the year, and changes since the year end, were:

D Cowan (resigned 5 June 2015)

P Weston (appointed 5 June 2015)

I McIntosh (appointed 17 September 2015)

### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors, which remain in force at the date of this report.

### **Disclosure of information to auditor**

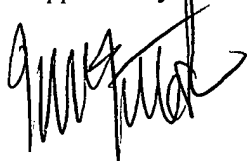
The directors at the time when this directors' report is approved have confirmed that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and
- they have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and UNW LLP will therefore continue in office.

This report was approved by the board on 10 November 2015 and signed on its behalf by:



**I McIntosh**  
Director

## **RDS Driving Services Limited**

### **Directors' responsibilities statement** **Year ended 31 July 2015**

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The directors are responsible for preparing the 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 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 company and the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **Independent auditor's report to the members of RDS Driving Services Limited**

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We have audited the financial statements of RDS Driving Services Limited for the year ended 31 July 2015, set out on pages 7 to 18. 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, 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' 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 company's affairs as at 31 July 2015 and of its profit 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 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.





## **Independent auditor's report to the members of RDS Driving Services Limited**

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### **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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

A handwritten signature in black ink, appearing to read 'David Redhead', written over a horizontal line.

**David Redhead (Senior Statutory Auditor)**

**for and on behalf of UNW LLP, Statutory Auditor**  
Chartered Accountants  
Newcastle upon Tyne

10 November 2015

## RDS Driving Services Limited

### Profit and loss account Year ended 31 July 2015

	Note	2015 £	2014 £
<b>Turnover</b>	2	10,580,043	11,272,064
Cost of sales		(5,274,884)	(6,097,605)
<b>Gross profit</b>		5,305,159	5,174,459
Administrative expenses		(5,037,283)	(6,003,010)
Exceptional administrative expenses	4	-	(72,005)
Total administrative expenses		(5,037,283)	(6,075,015)
Other operating income	3	287,938	320,116
<b>Operating profit/(loss)</b>		555,814	(580,440)
Interest receivable and similar income		284	198
Interest payable and similar charges	6	(36,831)	(28,536)
<b>Profit/(loss) on ordinary activities before taxation</b>	4	519,267	(608,778)
Tax on profit/(loss) on ordinary activities	7	(57)	-
<b>Profit/(loss) for the financial year</b>	16	519,210	(608,778)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

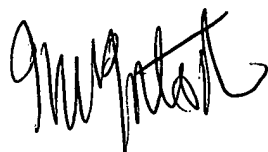
The notes on pages 9 to 18 form part of these financial statements.

# RDS Driving Services Limited

## Balance sheet At 31 July 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	9	62,964	98,411
<b>Current assets</b>			
Debtors	10	848,732	1,174,732
Cash at bank		52,992	9,361
		<u>901,724</u>	<u>1,184,093</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,287,416)</u>	<u>(2,858,293)</u>
<b>Net current liabilities</b>		<u>(1,385,692)</u>	<u>(1,674,200)</u>
<b>Total assets less current liabilities</b>		<u>(1,322,728)</u>	<u>(1,575,789)</u>
<b>Creditors: amounts falling due after more than one year</b>	12	-	(19,517,876)
<b>Provisions for liabilities</b>			
Other provisions	13	(330,685)	(505,726)
<b>Deferred income</b>	14	<u>(501,059)</u>	<u>(592,167)</u>
<b>Net liabilities</b>		<u><u>(2,154,472)</u></u>	<u><u>(22,191,558)</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	16,458,835	1
Other reserves	16	3,059,042	-
Profit and loss account	16	<u>(21,672,349)</u>	<u>(22,191,559)</u>
<b>Shareholders' deficit</b>	17	<u><u>(2,154,472)</u></u>	<u><u>(22,191,558)</u></u>

The financial statements were approved by the board of directors on 10 November 2015 and were signed on its behalf by:



**I McIntosh**  
Director

Company registered number: 07372476

The notes on pages 9 to 18 form part of these financial statements.

# **RDS Driving Services Limited**

## **Notes to the financial statements Year ended 31 July 2015**

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### **1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### **1.2 Cash flow**

Under FRS1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

#### **1.3 Related party transactions**

As the company is a wholly owned subsidiary of Driving Success Limited, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

#### **1.4 Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the strategic report on pages 1 to 2. The financial position and funding facilities are also considered here, with further details provided in the notes to the financial statements.

The company meets its day to day working capital requirements through operating cash flows together with the financial and other support of the group's principal shareholders. As detailed in these financial statements, the investor loan notes in issue at the start of the year have been converted to equity and accrued interest thereon has been waived, as such, these amounts are no longer repayable.

The company's funding requirements are assessed on a continual basis and financial forecasts have been prepared for at least the 12 months following approval of these financial statements which, having regard for reasonably possible changes in trading performance, indicate that the company should continue to operate within its available facilities. In addition, the group's principal shareholders have confirmed their intention to continue to provide such financial support as may be required to ensure that the company and group can continue to meet their liabilities as they fall due in the normal course of business, throughout the forecast period.

Notwithstanding net current liabilities of £1,385,692 and net liabilities of £2,154,472 at the balance sheet date, after making enquiries the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future and have therefore continued to prepare the financial statements on a going concern basis.

#### **1.5 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

The element of income relating to services which have yet to be performed, are deferred and released over the average duration of the applicable contracts.

# RDS Driving Services Limited

## Notes to the financial statements Year ended 31 July 2015

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### 1. Accounting policies (continued)

#### 1.6 Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life.

On the subsequent disposal or termination of a business acquired, the profit or loss on disposal or termination is calculated after charging the unamortised amount of any related goodwill.

#### 1.7 Impairment of fixed assets and goodwill

The carrying amounts of the company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historical cost.

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

#### 1.8 Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Leasehold improvements	-	Term of the lease
Fixtures and fittings	-	10 - 33% Straight line
Computer equipment	-	10 - 33% Straight line

#### 1.9 Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

# RDS Driving Services Limited

## Notes to the financial statements Year ended 31 July 2015

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### 1. Accounting policies (continued)

#### 1.10 Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### 1.11 Pensions

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

#### 1.12 Provisions

The company recognises provisions for onerous leases, property dilapidations and other obligations which exist at the balance sheet date. Provisions are measured at the current best estimate of the expenditure required to settle the obligation at the balance sheet date, when it is more likely than not that it will be required to transfer economic benefits to settle the obligations and the amount of the obligations can be estimated reliably.

### 2. Turnover

The whole of the turnover is attributable to the principal activities of the company and arose entirely within the United Kingdom.

### 3. Other operating income

	2015 £	2014 £
Other operating income	<u>287,938</u>	<u>320,116</u>

Other operating income comprises amounts falling due to the company under a third party agreement.

## RDS Driving Services Limited

### Notes to the financial statements Year ended 31 July 2015

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#### 4. Notes to the profit and loss account

Profit/(Loss) on ordinary activities before taxation is stated after charging/(crediting):

	2015 £	2014 £
Depreciation of tangible fixed assets:		
-owned by the company	42,945	39,429
Operating lease rentals:		
- plant and machinery	2,506,311	2,905,579
- other operating leases	127,838	127,668
Directors emoluments	-	-

#### Auditors' remuneration

Audit of these financial statements	<u>15,000</u>	<u>12,500</u>
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Amounts receivable by the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent, Driving Success Limited.

Exceptional administrative expenses comprise £nil (2014: £72,005) in respect of redundancy costs.

#### 5. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	2,590,367	3,042,575
Social security costs	245,259	298,503
Other pension costs	54,319	55,686
	<u>2,889,945</u>	<u>3,396,764</u>

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

	2015 (No.)	2014 (No.)
Administration	19	33
Operations	78	83
	<u>97</u>	<u>116</u>

# RDS Driving Services Limited

## Notes to the financial statements Year ended 31 July 2015

### 6. Interest payable

	2015 £	2014 £
On bank loans and overdrafts	<u>36,831</u>	<u>28,536</u>

### 7. Taxation

	2015 £	2014 £
UK corporation tax charge on profit/loss for the year	<u>57</u>	<u>-</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - higher than) the standard rate of corporation tax in the UK of 20% (2014 - 22.33%). The differences are explained below:

	2015 £	2014 £
Profit/loss on ordinary activities before tax	<u>519,267</u>	<u>(608,778)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 22.33%)	103,853	(135,960)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	462	138
Depreciation for year in excess of capital allowances	(1,203)	8,805
Short term timing differences	2,024	-
Unrelieved tax losses carried forward	-	127,017
Utilisation of tax losses brought forward	(105,079)	-
<b>Current tax charge for the year</b>	<u>57</u>	<u>-</u>

#### Factors that may affect future current and total tax charges

At the end of the year the company had UK corporation tax losses available to carry forward of approximately £18,242,000 (2014: £18,767,000).

There existed potential deferred tax assets of £3,675,695 (2014: £3,967,631), principally in respect of the losses carried forward, which the directors have not recognised until their recovery can be assessed with reasonable certainty.



# RDS Driving Services Limited

## Notes to the financial statements Year ended 31 July 2015

### 8. Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 August 2014 and 31 July 2015	21,365,104
<b>Amortisation and impairment</b>	
At 1 August 2014 and 31 July 2015	21,365,104
<b>Net book value</b>	
At 31 July 2015	-
At 31 July 2014	-

On 17 April 2013, the trade and net liabilities of Prew Limited, a fellow subsidiary undertaking, were transferred to the company as part of a group reorganisation. The goodwill arising on the transfer was fully impaired.

### 9. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 August 2014	8,602	136,477	145,079
Additions	-	7,499	7,499
At 31 July 2015	8,602	143,976	152,578
<b>Depreciation</b>			
At 1 August 2014	4,900	41,768	46,668
Charge for the year	3,700	39,246	42,946
At 31 July 2015	8,600	81,014	89,614
<b>Net book value</b>			
At 31 July 2015	2	62,962	62,964
At 31 July 2014	3,702	94,709	98,411

# RDS Driving Services Limited

## Notes to the financial statements Year ended 31 July 2015

### 10. Debtors

	2015 £	2014 £
Trade debtors	93,497	83,022
Prepayments and accrued income	755,235	1,091,710
	<u>848,732</u>	<u>1,174,732</u>

### 11. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	1,017,249	1,070,225
Amounts owed to parent undertaking	667	667
Corporation tax	57	-
Other taxation and social security	209,781	429,306
Other creditors	180,029	49,125
Accruals	879,633	1,308,970
	<u>2,287,416</u>	<u>2,858,293</u>

### 12. Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Other loans	-	16,458,834
Accruals	-	3,059,042
	<u>-</u>	<u>19,517,876</u>

## RDS Driving Services Limited

### Notes to the financial statements Year ended 31 July 2015

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#### 12. Creditors:

##### Amounts falling due after more than one year (continued)

Other loans due after one year included investor loan notes of £nil (2014: £16,369,334) payable to Kelso Place Special Situations Fund LP and Kelso Place Special Situations Founder Partner LP, of which £nil (2014: £15,499,334) and accrued interest thereon of £nil (2014: £3,059,042) was secured by a debenture which created a fixed and floating charge over all the assets of the company and its group. The investor loan notes were interest free, with effect from May 2012, and redeemable in full, at par, on 31 January 2020 together with the accrued interest thereon.

Other loans due after one year also included £nil (2014: £89,500) investor loan notes which were unsecured, interest free and repayable in full, at par, on 31 January 2017.

During the year all of the outstanding investor loan notes, totalling £16,458,834, were novated to the company's parent undertaking and the resulting inter-company balance was subsequently converted in to equity (see note 15). In addition, accrued and unpaid interest of £3,059,042 arising on the investor loan notes was waived by the investors and has been credited to the capital reserve (see note 16).

#### 13. Provisions

	Provisions £
At 1 August 2014	505,726
Amounts released unutilised	(175,041)
At 31 July 2015	<u>330,685</u>

Provisions consists of amounts recognised in respect of property dilapidations and other lease termination costs.

#### 14. Deferred income

	2015 £	2014 £
Deferred instructor fees	<u>501,059</u>	<u>592,167</u>

# RDS Driving Services Limited

## Notes to the financial statements Year ended 31 July 2015

### 15. Share capital

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
16,458,835 (2014 - 1) Ordinary shares of £1 each	<b>16,458,835</b>	<b>1</b>

During the year the company issued 16,458,834 Ordinary shares of £1 each for consideration of £16,458,834, settled through capitalisation of an inter-company loan in the same amount from the company's parent undertaking.

### 16. Reserves

	Capital reserve £	Profit and loss account £
At 1 August 2014	-	(22,191,559)
Profit for the year	-	519,210
Capital contribution	<b>3,059,042</b>	-
At 31 July 2015	<b>3,059,042</b>	<b>(21,672,349)</b>

Accrued and unpaid interest of £3,059,042 arising on investor loan notes was waived by the investors during the year and has been credited to the capital reserve.

### 17. Reconciliation of movements in shareholders' deficit

	2015 £	2014 £
Opening shareholders' deficit	(22,191,558)	(21,582,780)
Profit/(loss) for the financial year	<b>519,210</b>	(608,778)
Shares issued during the year	<b>16,458,834</b>	-
Capital contribution	<b>3,059,042</b>	-
Closing shareholders' deficit	<b>(2,154,472)</b>	<b>(22,191,558)</b>

### 18. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £54,319 (2014: £55,686). Contributions totaling £10,116 (2014: £9,894) were payable to the fund at the balance sheet date and are included in creditors.

## RDS Driving Services Limited

### Notes to the financial statements Year ended 31 July 2015

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#### 19. Operating lease commitments

At the balance sheet date the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2015	2014	2015	2014
	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	50,130	5,458	805,962	593,019
Between 2 and 5 years	-	108,932	580,548	772,998

#### 20. Related party transactions

During the year the company accrued £13,620 (2014: £3,113) in respect of expenses incurred by Kelso Place Asset Management LLP on its behalf. The amounts payable at the year end in relation to these charges is £138,080 (2014: £124,460) which is included in accruals due within one year.

The company also had in issue investor loan notes totalling £nil (2014: £16,369,334) and accrued interest thereon of £nil (2014: £3,059,042) held by Kelso Place Special Situations Fund LP and Kelso Place Special Situations Founder Partner LP, investment funds which are managed by Kelso Place Asset Management LLP. As detailed in notes 12 and 16, the loan notes were novated to the parent company during the year, and the accrued interest was waived.

#### 21. Ultimate controlling party

The company is a subsidiary undertaking of Driving Success Limited which is the ultimate parent company incorporated in England and Wales.

The only group in which the results of the company are consolidated is that headed by Driving Success Limited. The consolidated accounts are available to the public and can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The directors consider Kelso Place Asset Management LLP, a limited liability partnership which is incorporated in England and Wales, to be the ultimate controlling party.