

**SERVICING STOP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2017**



<b>SERVICING STOP LIMITED</b>
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**COMPANY INFORMATION**

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**Directors**

O J Richmond  
T R Richmond  
N Mckee  
D Mckee

**Company secretary**

V K Richmond

**Registered number**

06558606

**Registered office**

1 Beauchamp Court  
10 Victors Way  
Barnet  
Hertfordshire  
EN5 5TZ

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## SERVICING STOP LIMITED

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## SERVICING STOP LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2017

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#### Introduction

The principal activity of the company is the provision of car servicing, MOT and repair services.

#### Business review

With over 37 million cars on UK roads, the car servicing and repairs industry continues to grow and is currently valued at over £20 billion per annum. Despite this, the industry remains fragmented with no dominant market leader, a decline in the influence of main dealer garages and the growth of independent workshops which now number over 30,000.

As motorists increasingly look online for their car servicing needs, Servicing Stop is gaining market share by building up its active network of independent garages and aims to become the market leader in the industry - the 'go-to' car servicing provider. The business model is similar to other online platform companies such as Just Eat which consolidated the take-away restaurants market in the UK and gained a significant market share in the fast-food industry.

The car servicing and repairs industry has a poor reputation partly due to a lack of transparency and understanding. The majority of motorists do not possess in depth knowledge of the components and mechanics of a car, and often do not recognise the importance of a regular service. If a vehicle appears to be in good condition and running smoothly, some drivers question the need to pay for a 'check up'. However, a vehicle needs a health check up in the same way that we do and a lot of vehicle issues are invisible to the naked eye.

In becoming the most trusted and respected brand in the independent garage marketplace, Servicing Stop aims to eradicate these misconceptions and transform the UK automotive industry entirely - making it more convenient, affordable and trustworthy for drivers. Servicing Stop strives for excellence and by 'owning' both sides of the transaction, the company is able to offer complete customer support, lower the cost of car servicing and maintain a consistently high standard of quality and performance throughout.

Servicing Stop continued its upward trajectory with revenue for the year ended 30 November 2017 growing by 38.36% and gross profit increasing by 73.74% compared to the same period last year. The Company continued to invest significant funds to raise brand awareness and recruit and retaining staff to drive the business forward. As a result the net profit of the business remained largely unchanged from the previous year.

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## SERVICING STOP LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2017

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#### Principal risks and uncertainties

##### Competition

Companies are increasingly influenced by the 'online platform revolution' which has enabled all types of industry to move online to achieve a larger footfall at less expense. In addition, the automotive industry offers a wide array of opportunities to those with entrepreneurial spirit. Consequently Servicing Stop's revolutionary business model is now being replicated by competitors entering the space to challenge its position as market leader. The company has been able to retain its pre-eminent position due to a range of factors:

1. Servicing Stop has developed a system of sophisticated proprietary algorithms which drive the business forward. The algorithms are underpinned by advanced regression modelling, to cultivate pricing for the consumer and maintain and optimise conversion rates. These algorithms are continually monitored and updated to reflect changes in prices, garage performance, regional disparities and customer preferences.
2. Servicing Stop maintains significant investment in advertising and marketing ensuring it can reach its entire demographic throughout the UK.
3. The company also boasts a comprehensive customer service system by offering a range of remedies to customer disputes not offered by independent or dealership garages. Servicing Stop works to protect the customer in the event of a complaint by assuming ownership of all communication with the garage and preventing the customer from having to confront the garage. Servicing Stop is a central point of contact that uses fair and trusted variables as well as a cohesive set of values and ethics to determine accountability.
4. While protecting the customer, the company work closely with its expanding network of garages. Servicing Stop focuses on training and auditing their garage network by introducing them to exclusive technology and conducting mystery shops through in-house and independent bodies.

##### Service quality and brand reputation

Servicing Stop is aware of the potential impact of negative publicity and therefore explores ways to improve the customer experience by collecting and monitoring feedback and making changes based on these findings. Customers are encouraged to evaluate their job to highlight areas where the business is succeeding and those which require improvement. In response to the feedback, Servicing Stop has employed a Network Compliance Team which includes staff with significant motor industry experience, which is responsible for auditing, training and monitoring the garages in the network. The team ensures all accreditation is up to date, the garages are trained to the highest standards and investigate customer disputes relating to potential garage error. The Network Compliance Team also oversee the Garage Manager App, launched in the autumn, which enables garages to manage their jobs more efficiently while offering transparency to customers able to view their repairs in real time. The app checks that the garages provide photo or video evidence of the state of the vehicle at point of collection and delivery, faulty parts and the completed repair work.

##### Technology

Staying on top of the automotive agenda is vital in order to thrive in a fast paced industry and the company continually monitors automotive developments such as the growth in electric and hybrid cars and its impact on the car servicing industry. The company monitors its network of independent garages to ensure the garages possess the most up-to-date equipment and necessary skill set to respond to these changes.

##### Business Model

Servicing Stop is currently the UK's largest independent online car servicing provider with more garages and resources than any of its competitors. The company is open to potential investment in order to grow its garage network, increase brand awareness and gain additional market share in the online car servicing market.

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## SERVICING STOP LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2017

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#### Financial key performance indicators

Over the last few years, Servicing Stop's primary focus has been on increasing its market share and has suppressed its profitability to achieve this. A significant indicator of the success of this strategy is the growth in both the number bookings and completed jobs. In the year ended 30 November 2017, bookings and completed jobs were up 28.28% and 27.09% respectively compared to the previous 12 month period.


#### Other key performance indicators

Another key metric is the increase in the number of active garages on the Servicing Stop network as this directly impacts the ability to undertake additional jobs in the future. The number of active garages in the network increased by 31.65% in the last 12 months and the company is looking to extend the number of garages and increase its geographical spread.

The Company also places a significant emphasis on its customer satisfaction which can be measured by its Net Promoter Score (NPS), an index ranging from -100 to 100 which measures the willingness of customers to recommend a company's products or services to others. The scores in the car service industry are traditionally very low; indeed a US website, RepairPal.com which helps people find certified auto repair, claimed that the average NPS for the auto repair industry is -13. Servicing Stop's NPS score increased by 8.95% compared to the same period last year.

This report was approved by the board on 21.08.18

and signed on its behalf.



**T R Richmond**  
Director

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## SERVICING STOP LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2017

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The directors present their report and the financial statements for the year ended 30 November 2017.

#### Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements 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 to 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.

#### Results and dividends

The loss for the year, after taxation, amounted to £187,654 (2016 - loss £315,923).

#### Directors

The directors who served during the year were:

O J Richmond  
T R Richmond  
N Mcke  
S Nobes (resigned 19 September 2017)  
D Mcke (appointed 19 September 2017)

#### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**SERVICING STOP LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 NOVEMBER 2017**

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

The auditors, Adler Shine LLP, were appointed during the year.

This report was approved by the board on 21.08.18

and signed on its behalf.



T R Richmond  
Director



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## SERVICING STOP LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SERVICING STOP LIMITED

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#### Opinion

We have audited the financial statements of Servicing Stop Limited for the year ended 30 November 2017, set out on pages 9 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 Auditors' 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.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 November 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the Company incurred a net loss of £187,654 during the year ended 30 November 2017 and, at that date, the Company's current liabilities exceeded its total assets by £388,499 and it had net current liabilities of £1,058,055. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

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**SERVICING STOP LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SERVICING STOP LIMITED  
(CONTINUED)**

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inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which 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.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**SERVICING STOP LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SERVICING STOP LIMITED  
(CONTINUED)**

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditors' Report.



Darsh Shah (Senior Statutory Auditor)

for and on behalf of  
**Adler Shine LLP**

Chartered Accountants  
Statutory Auditor

Aston House  
Cornwall Avenue  
London  
N3 1LF

Date: 22/08/18

**SERVICING STOP LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 NOVEMBER 2017**

		<b>30 November 2017 £</b>	<i>As restated 15 months ended 30 November 2016 £</i>
	<b>Note</b>		
Turnover	4	21,483,503	17,067,890
Cost of sales		(14,708,885)	(12,636,817)
<b>Gross profit</b>		<b>6,774,618</b>	<b>4,431,073</b>
Administrative expenses		(7,142,288)	(4,862,099)
<b>Operating loss</b>		<b>(367,670)</b>	<b>(431,026)</b>
Interest receivable and similar income	9	145	150
<b>Loss before tax</b>		<b>(367,525)</b>	<b>(430,876)</b>
Tax on loss	10	179,871	114,953
<b>Loss for the financial year</b>		<b>(187,654)</b>	<b>(315,923)</b>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b>(187,654)</b>	<b>(315,923)</b>

**SERVICING STOP LIMITED**  
**REGISTERED NUMBER: 06558606**

**BALANCE SHEET**  
**AS AT 30 NOVEMBER 2017**

	Note	2017 £	As restated 2016 £
<b>Fixed assets</b>			
Intangible assets	11	615,478	378,704
Tangible assets	12	54,078	34,405
		<u>669,556</u>	<u>413,109</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	578,015	421,178
Cash at bank and in hand	14	1,021,183	1,224,740
		<u>1,599,198</u>	<u>1,645,918</u>
Creditors: amounts falling due within one year	15	(2,657,253)	(2,259,872)
<b>Net current liabilities</b>		<u>(1,058,055)</u>	<u>(613,954)</u>
<b>Total assets less current liabilities</b>		<u>(388,499)</u>	<u>(200,845)</u>
<b>Net liabilities</b>		<u>(388,499)</u>	<u>(200,845)</u>
<b>Capital and reserves</b>			
Called up share capital	17	200	200
Share premium account	18	199,900	199,900
Profit and loss account	18	(588,599)	(400,945)
		<u>(388,499)</u>	<u>(200,845)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

21.08.18



**T R Richmond**

Director

The notes on pages 14 to 29 form part of these financial statements.

**SERVICING STOP LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 NOVEMBER 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 December 2016 (as previously stated)	200	199,900	(477,495)	(277,395)
Prior year adjustment	-	-	76,550	76,550
At 1 December 2016 (as restated)	200	199,900	(400,945)	(200,845)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(187,654)	(187,654)
<b>Total comprehensive income for the year</b>	-	-	(187,654)	(187,654)
<b>Total transactions with owners</b>	-	-	-	-
<b>At 30 November 2017</b>	200	199,900	(588,599)	(388,499)

**SERVICING STOP LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 NOVEMBER 2016**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2015	200	199,900	(85,022)	115,078
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(315,923)	(315,923)
<b>Total comprehensive income for the period</b>	-	-	(315,923)	(315,923)
<b>Total transactions with owners</b>	-	-	-	-
<b>At 30 November 2016</b>	<b>200</b>	<b>199,900</b>	<b>(400,945)</b>	<b>(200,845)</b>

The notes on pages 14 to 29 form part of these financial statements.

**SERVICING STOP LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 NOVEMBER 2017**

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(187,654)	(315,923)
<b>Adjustments for:</b>		
Amortisation of intangible assets	104,952	126,235
Depreciation of tangible assets	8,259	11,469
Interest received	(145)	(150)
Taxation charge	(179,871)	(114,953)
(Increase) in debtors	(153,965)	(267,003)
Increase in creditors	397,377	1,174,711
Corporation tax received	177,000	114,953
<b>Net cash generated from operating activities</b>	<b>165,953</b>	<b>729,339</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(341,725)	(353,296)
Purchase of tangible fixed assets	(27,930)	(27,832)
Interest received	145	150
<b>Net cash from investing activities</b>	<b>(369,510)</b>	<b>(380,978)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(203,557)</b>	<b>348,361</b>
Cash and cash equivalents at beginning of year	1,224,740	876,379
<b>Cash and cash equivalents at the end of year</b>	<b>1,021,183</b>	<b>1,224,740</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	1,021,183	1,224,740
	<b>1,021,183</b>	<b>1,224,740</b>



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<b>SERVICING STOP LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2017**

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**1. General information**

Servicing Stop Limited is a private company limited by shares and incorporated in the United Kingdom. The address of the registered office is 1 Beauchamp Court, Victors Way, London, EN5 5TZ.

The principal place of business is Refuge House, 9-10 River Front, London, Enfield EN1 3SZ.

The principal activity of the company is the provision of car servicing, MOT and repair services.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

At the year end, the Company had made a loss after tax of £187,654, its liabilities exceeded its assets by £388,499 and it had net current liabilities of £1,058,055.

Based on current forecasts, the Company is unlikely to need additional funds within twelve months of the date of approval of the financial statements.

After making enquiries and considering the assumptions on which the forecasts have been based, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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## SERVICING STOP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

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#### 2. Accounting policies (continued)

##### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

##### 2.5 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	-	15% reducing balance
Office equipment	-	15% reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

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## SERVICING STOP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

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#### 2. Accounting policies (continued)

##### 2.6 Debtors

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

##### 2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

##### 2.8 Financial instruments

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

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

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

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

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

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

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**SERVICING STOP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2017**

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**2. Accounting policies (continued)****2.9 Creditors**

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

**2.10 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.11 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.12 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

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## SERVICING STOP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

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#### 2. Accounting policies (continued)

##### 2.13 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 2.14 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### 2.15 Comparative period

The comparative period was for the 15 months to 30 November 2016.

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**SERVICING STOP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2017**

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**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the preparation of the financial statements, the Directors are required to make significant judgements and estimates. The principal areas of the financial statements where judgements and estimates have been made are:

**Impairment of fixed assets**

At each reporting date, fixed assets, including intangibles and tangibles, are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. In determining whether there is an indication of impairment, a number of judgemental factors must be considered, including an estimate of the future economic benefits that can be derived from the assets and current market conditions.

**Useful economic lives of fixed assets**

Fixed assets, including intangibles, are depreciated over their useful economic lives. Useful lives are based on management's estimates of the period over which the assets will generate income. Useful lives are periodically reviewed for their continued appropriateness. Changes to estimates can result in changes in carrying values and, hence, change the amount charge to the income statement in particular periods, which could be significant. More details, including carrying values, are included in notes 11 and 12.

**Capitalisation of development costs**

Costs capitalised relate to wages and salary costs incurred by the Company for various employees, including directors. The percentage of time spent on development activity and, hence, the costs capitalised are based on estimates.

# SERVICING STOP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

### 4. Turnover

An analysis of turnover by class of business is as follows:

	30 November 2017 £	As restated 15 months ended 30 November 2016 £
Sales	21,483,503	17,067,890
	<u>21,483,503</u>	<u>17,067,890</u>

Analysis of turnover by country of destination:

	30 November 2017 £	As restated 15 months ended 30 November 2016 £
United Kingdom	21,483,503	17,067,890
	<u>21,483,503</u>	<u>17,067,890</u>

### 5. Operating loss

The operating loss is stated after charging:

	30 November 2017 £	15 months ended 30 November 2016 £
Depreciation of tangible fixed assets	8,259	11,469
Amortisation of intangible assets, including goodwill	104,951	126,235
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	7,500	6,500
Other operating lease rentals	19,941	29,648
Defined contribution pension cost	10,151	-
	<u>140,801</u>	<u>173,852</u>

# SERVICING STOP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

### 6. Auditors' remuneration

	30 November 2017 £	15 months ended 30 November 2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	7,500	6,500

### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	30 November 2017 £	15 months ended 30 November 2016 £
Wages and salaries	2,179,937	1,481,373
Social security costs	185,640	126,185
Cost of defined contribution scheme	10,151	-
	<u>2,375,728</u>	<u>1,607,558</u>

In addition to this, £194,207 (2016 - £206,694) of wages and salaries and £35,018 (2016 - £34,192) of social security costs has been capitalised as intangible fixed assets.

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

	30 November 2017 No.	15 months ended 30 November 2016 No.
Employees	93	59
Directors	2	2
	<u>95</u>	<u>61</u>



# SERVICING STOP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

### 8. Directors' remuneration

	30 November 2017 £	15 months ended 30 November 2016 £
Directors' emoluments	187,500	187,500
	<u>187,500</u>	<u>187,500</u>

The highest paid director received remuneration of £150,000 (2016 - £150,000).

The total accrued pension provision of the highest paid director at 30 November 2017 amounted to £NIL (2016 - £NIL).

In addition to this, £112,500 (2016 - £112,500) of directors' remuneration has been capitalised as intangible fixed assets.

### 9. Interest receivable

	30 November 2017 £	15 months ended 30 November 2016 £
Other interest receivable	145	150
	<u>145</u>	<u>150</u>

**SERVICING STOP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2017**

**10. Taxation**

	30 November 2017 £	<i>15 months ended 30 November 2016 £</i>
<b>Corporation tax</b>		
Current tax on profits for the year	(113,965)	(114,953)
Adjustments in respect of previous periods	(65,906)	-
	<u>(179,871)</u>	<u>(114,953)</u>
<b>Total current tax</b>	<u>(179,871)</u>	<u>(114,953)</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on loss on ordinary activities</b>	<u>(179,871)</u>	<u>(114,953)</u>

# SERVICING STOP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

### 10. Taxation (continued)

#### Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2016 - *higher than*) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	30 November 2017 £	15 months ended 30 November 2016 £
Loss on ordinary activities before tax	(367,525)	(430,876)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(73,505)	(86,175)
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	20,990	25,247
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,133	13,004
Capital allowances for year/period in excess of depreciation	(3,934)	(3,273)
Adjustments to tax charge in respect of prior periods	(65,906)	-
Non-taxable income	(29)	(30)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(113,965)	(66,736)
Unrelieved tax losses carried forward	45,145	-
Other differences leading to an increase (decrease) in the tax charge	10,200	3,010
<b>Total tax charge for the year/period</b>	<b>(179,871)</b>	<b>(114,953)</b>

#### Factors that may affect future tax charges

In 2016, the UK Government announced its intentions to reduce the standard corporation tax rate to 17% by 2020. The measure to reduce the rate to 19% for the financial year beginning 1 April 2017 and to 17% for the financial year beginning 1 April 2020 were substantively enacted on 26 October 2015 and 6 September 2016, respectively.

<b>SERVICING STOP LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2017**

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**11. Intangible assets**

	Develop- ment £
<b>Cost</b>	
At 1 December 2016	542,849
Additions	341,725
	884,574
At 30 November 2017	
<b>Amortisation</b>	
At 1 December 2016	164,145
Charge for the year	104,951
	269,096
At 30 November 2017	
<b>Net book value</b>	
At 30 November 2017	615,478
At 30 November 2016	378,704

# SERVICING STOP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

### 12. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 December 2016	25,297	43,243	68,540
Additions	16,101	11,829	27,930
At 30 November 2017	<u>41,398</u>	<u>55,072</u>	<u>96,470</u>
<b>Depreciation</b>			
At 1 December 2016	10,940	23,194	34,134
Charge for the year on owned assets	4,090	4,168	8,258
At 30 November 2017	<u>15,030</u>	<u>27,362</u>	<u>42,392</u>
<b>Net book value</b>			
At 30 November 2017	<u><u>26,368</u></u>	<u><u>27,710</u></u>	<u><u>54,078</u></u>
At 30 November 2016	<u><u>14,356</u></u>	<u><u>20,049</u></u>	<u><u>34,405</u></u>

### 13. Debtors

	2017 £	2016 £
Trade debtors	410,971	293,126
Other debtors	15,510	12,152
Prepayments and accrued income	37,569	947
Tax recoverable	113,965	114,953
	<u><u>578,015</u></u>	<u><u>421,178</u></u>

# SERVICING STOP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

### 14. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,021,183	1,224,740
	<u>1,021,183</u>	<u>1,224,740</u>

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

	2017 £	As restated 2016 £
Trade creditors	1,824,033	1,550,722
Other taxation and social security	419,363	386,586
Other creditors	3,195	13,400
Accruals and deferred income	410,662	309,164
	<u>2,657,253</u>	<u>2,259,872</u>

### 16. Financial instruments

	2017 £	2016 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	1,021,183	1,224,740
	<u>1,021,183</u>	<u>1,224,740</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors and other creditors.

# SERVICING STOP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

### 17. Share capital

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
102 Ordinary shares of £1 each	102	102
98 Ordinary A shares of £1 each	98	98
	<u>200</u>	<u>200</u>

### 18. Reserves

#### Share premium account

"Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

#### Profit and loss account

"Profit and loss account" represents retained profits and losses.

### 19. Prior year adjustment

Sales earned in 2016, amounting to £76,551, were recognised in the year ended 30 November 2017 due to the recognition of garage administration fees when the job is completed rather than when the garage is paid. As a result, the financial statements for the year ended 30 November 2016 have been amended by increasing sales and reducing trade creditors by £76,551 which has resulted in a corresponding increase in the profit and loss reserve.

### 20. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £10,151. Contributions totalling £Nil (2016: £Nil) were payable to the fund at the balance sheet date.

# SERVICING STOP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

### 21. Commitments under operating leases

At 30 November 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	58,315	69,638
Later than 1 year and not later than 5 years	68,956	145,334
	<u>127,271</u>	<u>214,972</u>

### 22. Controlling party

There is no one individual controlling party.

### 23. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.