



COMPANY REGISTRATION NUMBER 05052874

NCI VEHICLE RESCUE PLC
FINANCIAL STATEMENTS
31 MARCH 2011

Littlejohn LLP
Statutory Auditor
1 Westferry Circus
Canary Wharf
London
E14 4HD

NCI VEHICLE RESCUE PLC
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

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NCI VEHICLE RESCUE PLC
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2011

The Board of Directors	Craig T Duwell (Operations Director) Neil M Richards-Smith (Managing Director) C Richard Jackson MBE (Non-Executive Chairman) Craig Astbury (IT Director)
Company Secretary	Alaric McDermott
Principal Place of Business	4 th Floor, Clarendon House Victoria Avenue Harrogate HG1 1JD
Registered office	4 th Floor, Clarendon House Victoria Avenue Harrogate HG1 1JD
Independent Auditor	Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD
Corporate Advisors	Cairn Financial Advisers LLP 61 Cheapside London EC2V 6AX
Solicitors	Edwin Coe LLP 2 Stone Buildings Lincoln's Inn London WC2A 3TH
Bankers	Lloyds TSB Bank PLC 8-11 Cambridge Street Harrogate HG1 1PQ

NCI VEHICLE RESCUE PLC

CHAIRMAN'S STATEMENT

YEAR ENDED 31 MARCH 2011

Review of operations

As a result of two severe winters NCI experienced a shortfall in the provisions made and has learned the hard way in this regard and has refocused its efforts to create a platform that is now producing excellent growth in turnover and profits. In order to demonstrate this, for the year to March 2011 we had turnover of £2.9million yet in just the four months since then to the end of July we have experienced revenues of over £2million.

Breakdown sales

The breakdown market continues to be competitive with a number of organisations using the product to introduce other services. Although we do cross sell into our client base we are not using the product as a loss leader. The requirement to reverse losses experienced via our Sterling Rock Account has reduced the volumes slightly and we remain focused on ensuring we have a good book of business that will provide a profit rather than a loss. Higher acquisition costs and increases in VAT have both affected profitability and new client volumes but we expect the level of breakdown new business to remain constant over the next twelve months.

Looking forward we have a number of new opportunities that will benefit the 2011-2012 accounts. Business-to-Business opportunities are being developed with success and we continue to target partners where we jointly benefit from doing business together.

The re-structure of our rates gives us a solid platform to move forward with where we also appreciate that rates should provide underwriting profit rather than losses.

Motor Insurance

It has been a torrid time in the insurance industry over the last 24 months and we have, like many others been affected by circumstances widely outside our control. Insurers have suffered losses in many areas none more so than in the motor sector. Our main insurance partner practically withdrew from the sector and our other partner is looking to decrease its motor business by 40%. The reduction in markets left us exposed and this had been highlighted 18 months ago at which time we decided to look for alternative robust partners. During the period we finalised a five-year contract with an insurer who is a relatively new entrant into the market and is committed to expanding their motor book of business rapidly with a limited number of partners. The contract has now been signed and the scheme started on the 4th April 2011 allowing NCI to expand its motor book year on year whilst retaining complete control over the business. The Managing Agent authority granted by the insurer gives a number of advantages both on control, service and earnings, which we have not previously enjoyed. The increased levels of commissions under the scheme outweigh the additional cost of acquisition we are experiencing. It's difficult to convey the importance of the contract we have signed with the insurer but it will go a long way to ensuring the continued success of our organisation over the next 5 years.

Our pet insurance was launched in March having absorbed the set-up costs in the 2010-2011 periods. We will see sales and commission benefit during 2011-2012 and further periods. The expense in setting up the scheme has been considerable and has hit profitability particularly in the second half of the year ended March 2011 but this will be realigned in the 2011-2012 trading period.

NCI VEHICLE RESCUE PLC

CHAIRMAN'S STATEMENT

YEAR ENDED 31 MARCH 2011

Claims Administration

Our subsidiary VRNL has taken a temporary reduction in its claims handling fees to assist in the costs associated with the Sterling Rock account. The reduction in fees was started in November and we can clearly see the effect on the results of the second half of the year. Although painful this was the prudent thing to do and has in contrast had a positive effect on the Sterling Rock figures. We are now confident that the fee structure we have in place is both sustainable and profitable moving forward. As claim numbers have increased we have also had to increase staff levels to cover the 24-hour shifts but are unlikely to significantly increase over the next 12 months unless large additional contracts are forthcoming. One very positive development in VRNL is the introduction of new contracts. VRNL is handling claims on behalf of other parties and receiving handling fees, this is proving profitable and we are continuing the development of this line of income throughout 2011-2012. This additional income from outside the business adds to turnover and helps with economies of scale towards overheads which are normally met by NCI Group lines of business alone. Continued improvements of the way we work is now starting to reap rewards and reduce claims costs and maximise opportunities to make additional earnings.

Sterling Rock

Over the last two years we have had severe weather during winter periods, in 2009/2010 we had sustained snowfall over a lengthy period and in 2010/2011 we had extremely cold temperatures throughout November and December. Both winters had higher than expected claims frequencies and as this trend may continue we have increased our claims reserving to a level that will allow for severe winters. If the claims costs are lower than expected we have the ability to release any over reserving in a prudent manner in future periods.

Claims frequency and cost analysis over the last 18 months has shown a number of areas where we could improve our results through either increasing premiums in poor performing areas to add to funds or reducing rates for better performing areas to increase numbers. This alteration in rating will offer a better balance of risk and ensure profitability across the book as a whole.

Reduction in cost base and increase in premium income will greatly assist with profitability. Increased claims reserving should avoid any unwelcome spikes in claims due to adverse weather that would unexpectedly reduce overall profitability.

Outlook

Although 2010-2011 was a difficult period we can now look forward to results improving consistently. A number of new contracts have improved our balance of business and will bring useful additional turnover and income from outside NCI.

The insurance division will see major growth both in turnover, gross commission and profit in 2011/2012 financial year. With the new pet scheme and the new Managing Agent motor product we have two additions to the product portfolio that will drive the business forward at pace.

We look forward to the future with optimism.

C Richard Jackson MBE DL
Chairman

6 September 2011

NCI VEHICLE RESCUE PLC

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2011

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 March 2011.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company was that of a holding company.

The principal activities of the group are the provision of vehicle breakdown services and insurance services.

A review of the group's activities and performance for the year and its prospects for 2011 to 2012 is contained in the chairman's statement in pages 2 and 3.

FUTURE DEVELOPMENTS

A review of the business and future prospects is set out in the chairman's statement on pages 2 and 3.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £10,132. A dividend was distributed during the year to 31 March 2011, amounting to £49,083. No further dividend was declared for this year to 31 March 2011.

FINANCIAL INSTRUMENTS

Details of the group's financial risk management objectives and policies are included in note 20 to the accounts.

THE DIRECTORS AND THEIR INTERESTS

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

	Ordinary Shares of £0.01 each	
	At 31 March 2011	At 1 April 2010
Craig Duwell	2,500,000	2,500,000
Neil Richards-Smith	2,500,000	2,500,000
C Richard Jackson	179,500	—
Craig Astbury	33,000	—

Mr C Astbury was appointed as a director on 23 August 2010.

SUBSTANTIAL SHAREHOLDINGS

As at 31 March 2011, the directors were aware of the following shareholdings in excess of 3% in the company's issued share capital.

	Number of ordinary shares	Percent of issued ordinary share capital
Craig Duwell	2,500,000	25.47
Neil Richards-Smith	2,500,000	25.47
Woodland Capital Limited	699,999	7.13
Giltspur Nominees Limited	525,000	5.35
Pershing Nominees Limited	528,999	5.40
T Larman	433,333	4.41
Cardale Nominees Limited	426,000	4.34

NCI VEHICLE RESCUE PLC

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2011

DIRECTORS

The Board comprises:

Craig Duwell, Operations Director

Craig began his career in 1989 at Swinton Insurance in a junior position progressing to sales advisor trained on all aspects of insurance products sold by the company. Craig joined the Batley branch in 1991 as Assistant Manager. In 1992 he became a relief manager servicing several branches within the Yorkshire area. In 1993 Craig joined Swire Renshaw as a sales advisor within the Hondacare motor insurance division selling motor insurance to Honda owners. He became team leader in 1994 and Section Head of the Hondacare Insurance Advisers in 1995 responsible for 19 advisors. In 1996 he was selected to head Swire Renshaw's direct arm as the company branched out into a new market. He was later promoted to the business development department to work alongside Mr Richards-Smith in developing the First Secure brand. Craig left Swire Renshaw in March 2000 to set up NCI Consultants with Neil Richards-Smith.

Neil Richards-Smith, Managing Director

Neil began work in 1986 as an office junior at Swinton Insurance and quickly progressed through the positions of Office Clerk, Assistant Manager of the Leeds city centre branch to become the Manager of the Thornaby branch of Swinton. With nine staff, Neil ensured the smooth running and profitability of the branch, staff training, promotion, recruitment and disciplinary procedures. In 1993 Neil joined Swire Renshaw as an area sales representative promoting motor manufacturer insurance schemes throughout the dealer networks for Honda cars, Honda bikes and Daihatsu cars. Neil was also responsible for presentations to the manufacturers and dealer conferences. In 1996 Neil became a Commercial Account Executive responsible for producing new commercial clients for Swire Renshaw and servicing existing policyholders with medium sized insurance policies. Neil was promoted to First Secure Development Manager in 1998 responsible for running the department and controlling the staff schedule of dealer visits, dealing with manufacturers and principals of the existing insurance schemes as well as the capture of new schemes to grow the portfolio of affinity and manufacturer schemes. Neil left Swire Renshaw in March 2000 to set up NCI Consultants with Craig Duwell.

Craig Astbury, IT Director

Craig joined NCI Vehicle Rescue PLC in October 2008 as head of group IT. Prior to joining the company, Craig spent 4 years at Wonder Media Ltd as IT director where he worked as a consultant for a number of Insurance Brokers.

C Richard Jackson MBE, Non-Executive Chairman

Richard is a Yorkshire-based businessman and entrepreneur. His business life has been spent in clothing manufacturing and retailing, motor retail of both volume and specialist vehicles and more recently in the healthcare sector.

FINANCIAL RISK MANAGEMENT

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

POLICY ON THE PAYMENT OF CREDITORS

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

The rate, expressed in days, between the amounts invoiced to the group by its suppliers in the year and the amount owing to trade and other creditors at the year end was 52 days (2010: 51 days).

NCI VEHICLE RESCUE PLC

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2011

CORPORATE GOVERNANCE

The company's shares are traded on the PLUS-quoted Market. PLUS-quoted is a market operated by PLUS Markets PLC incorporating a primary market for the shares of small and medium companies (known as PLUS-quoted securities). PLUS-quoted securities are not listed and the market is not classified as a regulated market under EU financial services law.

INTERNAL CONTROL

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

AUDIT COMMITTEE

The company has an audit committee which meets at least twice each year, comprising the directors and non-executive director of the company. The audit committee is responsible for ensuring that the group's financial performance is properly monitored, controlled and reported. It also meets the auditors and reviews reports from the auditors relating to accounts and internal control systems. The audit committee meets once a year with the auditors, without executive board members being present.

REMUNERATION COMMITTEE

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

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report. The financial position of the company, its cashflows and liquidity position are disclosed within these financial statements. Note 20 to the financial statements include the company's objectives for managing its capital, interest and currency risks and its financial risk management.

The company has considerable resource and the directors believe that the company is well placed to manage its business risks successfully.

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

DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

NCI VEHICLE RESCUE PLC

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2011

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

In so far as the directors are aware:

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

DONATIONS

The company made no charitable donations during the year. There were no political donations.

AUDITOR

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

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

Signed by order of the Directors

NEIL RICHARDS-SMITH
Director

Approved by the Directors on 6 September 2011

NCI VEHICLE RESCUE PLC
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NCI VEHICLE RESCUE PLC
YEAR ENDED 31 MARCH 2011

We have audited the group and parent company financial statements ("the financial statements") of NCI Vehicle Rescue Plc for the year ended 31 March 2011 which comprise the Consolidated Profit and Loss Account, Group Balance Sheet and Company Balance Sheet, Group Statement of Total Recognised Gains and Losses, Group Cash Flow Statement, accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 6 & 7, the directors are responsible for the preparation of the Annual Report, financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2011 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

NCI VEHICLE RESCUE PLC
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NCI VEHICLE RESCUE PLC
YEAR ENDED 31 MARCH 2011

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

DAVID ROBERTS (Senior Statutory Auditor)
For and on behalf of
LITTLEJOHN LLP
Statutory Auditor

6 September 2011

1 Westferry Circus
Canary Wharf
London
E14 4HD

NCI VEHICLE RESCUE PLC
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 (restated) £
GROUP TURNOVER	2	2,880,267	3,277,824
Cost of sales		<u>(1,305,216)</u>	<u>(1,745,544)</u>
GROSS PROFIT		1,575,051	1,532,280
Distribution costs		(123,858)	(165,566)
Administrative expenses		(1,467,945)	(1,243,243)
Other operating income	3	5,344	-
OPERATING (LOSS) / PROFIT	4	(11,408)	123,471
Interest receivable		4,456	2,102
Interest payable and similar charges	7	(1,441)	(2,308)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,393)	123,265
Tax on (loss) / profit on ordinary activities	8	(1,739)	(37,118)
(LOSS) / PROFIT FOR THE FINANCIAL YEAR		(10,132)	86,147
ATTRIBUTABLE TO:			
Equity shareholders of the company		4,526	92,837
Minority interests		(14,658)	(6,690)
		<u>(10,132)</u>	<u>86,147</u>
EARNINGS PER SHARE			
Basic earnings per share	25	(0.1)p	0.9p
Diluted earnings per share	25	(0.1)p	0.8p

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

The notes on pages 15 to 32 form part of these financial statements.

NCI VEHICLE RESCUE PLC
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 <i>(restated)</i> £
(Loss) / Profit for the financial year attributable to the shareholders of the parent company		(10,132)	86,147
Total recognised gains and losses relating to the year		(10,132)	86,147
Prior year adjustment	11	(231,458)	-
Total gains and losses recognised since the last financial statements		(241,590)	86,147

The notes on pages 15 to 32 form part of these financial statements.

NCI VEHICLE RESCUE PLC

GROUP BALANCE SHEET

31 MARCH 2011

		2011	2010
	Note	£	(restated) £
FIXED ASSETS			
Intangible assets	12	31,752	34,195
Tangible assets	13	103,419	106,597
		<u>135,171</u>	<u>140,792</u>
CURRENT ASSETS			
Debtors	15	236,792	197,674
Cash at bank and in hand		778,158	950,231
		<u>1,014,950</u>	<u>1,147,905</u>
CREDITORS: Amounts falling due within one year	17	<u>(746,624)</u>	<u>(841,766)</u>
NET CURRENT ASSETS		<u>268,326</u>	<u>306,139</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>403,497</u>	<u>446,931</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	16	(10,589)	(12,883)
		<u>392,908</u>	<u>434,048</u>
CAPITAL AND RESERVES			
Called-up equity share capital	24	98,167	98,167
Share premium account	26	493,215	493,215
Share options reserve	26	24,280	6,205
Minority interest		(15,377)	(910)
Profit and loss account	26	(207,377)	(162,629)
SHAREHOLDERS' FUNDS	27	<u>392,908</u>	<u>434,048</u>

These financial statements were approved by the directors and authorised for issue by the board on 6 September 2011 and are signed on their behalf by:

CRAIG DUWELL

NEIL RICHARDS-SMITH

Company Registration Number: 05052874

The notes on pages 15 to 32 form part of these financial statements.

NCI VEHICLE RESCUE PLC

BALANCE SHEET

31 MARCH 2011

		2011	2010
	Note	£	(restated) £
FIXED ASSETS			
Tangible assets	13	57,325	41,610
Investments	14	65,003	65,003
		<u>122,328</u>	<u>106,613</u>
CURRENT ASSETS			
Debtors	15	556,645	309,553
Cash at bank and in hand		102,470	265,456
		<u>659,115</u>	<u>575,009</u>
CREDITORS: Amounts falling due within one year	17	<u>(35,320)</u>	<u>(48,708)</u>
NET CURRENT ASSETS		<u>623,795</u>	<u>526,301</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>746,123</u>	<u>632,914</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	16	(3,476)	3,011
		<u>742,647</u>	<u>635,925</u>
CAPITAL AND RESERVES			
Called-up equity share capital	24	98,167	98,167
Share premium account	26	493,215	493,215
Share options reserve	26	24,280	6,205
Profit and loss account	26	126,985	38,338
SHAREHOLDERS' FUNDS	27	<u>742,647</u>	<u>635,925</u>

These financial statements were approved by the directors and authorised for issue by the board on 6 September 2011 and are signed on their behalf by:

CRAIG DUWELL

NEIL RICHARDS-SMITH

Company Registration Number: 05052874

The notes on pages 15 to 32 form part of these financial statements.

NCI VEHICLE RESCUE PLC
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2011

		2011	2010
	Note	£	(restated) £
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	28	(14,754)	405,548
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	28	3,015	(206)
TAXATION	28	(69,885)	3,938
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	28	(38,006)	(54,279)
EQUITY DIVIDENDS PAID		(49,083)	(48,333)
CASH (OUTFLOW) / INFLOW BEFORE FINANCING		(168,713)	306,668
FINANCING	28	(8,313)	75,607
(DECREASE) / INCREASE IN CASH	28	(177,026)	382,275

The notes on pages 15 to 32 form part of these financial statements.

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES

Basis of accounting

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

Basis of consolidation

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

Related parties transactions

The company is a parent company with four subsidiary companies NCI Consultants Limited, NCI Insurance Services Limited, Vehicle Rescue Network Limited and Sterling Rock Limited.

NCI Consultants Limited, Vehicle Rescue Network Limited and Sterling Rock Limited are wholly-owned subsidiaries. NCI Insurance Services Limited is a 75% owned subsidiary.

Turnover

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

Cost of sales

Cost of sales is the total of amounts paid or payable in respect of breakdown assistance obligations, including an estimate of the future amounts payable under assistance contracts in force at the year end.

Goodwill and Amortisation

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

In accordance with financial reporting standard numbers 10 and 11, the carrying value of goodwill is reviewed where there are indications of impairment, on the basis stipulated in financial reporting standard 11, and adjusted to its recoverable amount.

Goodwill is being amortised over its useful life of 20 years.

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES *(continued)*

Tangible fixed assets

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

Depreciation

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

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

Operating lease agreements

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the consolidated profit and loss account on a straight line basis.

Taxation

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

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

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

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

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

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES *(continued)*

Share based payments

The company has adopted FRS 20 Share Based Payments in respect of the current accounting period. The fair value of supplier warrants is recognised as an expense within the profit and loss account with a corresponding increase in equity. The fair value is measured at the grant date and charged against profit when the services are received.

The fair value is measured using the Blacks Scholes pricing model, taking into account the terms and conditions upon which the warrants were granted.

Financial instruments

Investments

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

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the profit and loss account. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is disposed of or until its value is impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

Investments classified as held-to-maturity are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit and loss account when the investments are derecognised, or impaired, as well as through the amortisation process.

Investments are fair valued using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the balance sheet date.

Trade and other debtors

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

Cash and cash equivalents

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

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

2. TURNOVER

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

	2011	2010 <i>(restated)</i>
	£	£
United Kingdom	<u>2,880,267</u>	<u>3,277,824</u>

SEGMENTAL ANALYSIS

Class of Business :	Vehicle Rescue		Insurance		Group	
	2011	2010 <i>(restated)</i>	2011	2010 <i>(restated)</i>	2011	2010 <i>(restated)</i>
	£	£	£	£	£	£
Turnover	2,394,637	2,616,834	485,630	660,990	2,880,267	3,277,824
(Loss) / profit on ordinary activities before taxation	61,913	130,428	(62,081)	(24,614)	(8,393)	123,265
Segment net assets / (liabilities)	(256,887)	(168,412)	(59,600)	(2,656)	392,908	434,048

3. OTHER OPERATING INCOME

	2011	2010 <i>(restated)</i>
	£	£
Other operating income	<u>5,344</u>	<u>-</u>

4. OPERATING (LOSS) / PROFIT

Operating (loss) / profit is stated after charging:

	2011	2010 <i>(restated)</i>
	£	£
Amortisation	2,443	2,443
Depreciation of owned fixed assets	37,660	23,483
Depreciation of assets held under hire purchase agreements	-	3,730
Loss on disposal of fixed assets	3,524	1
Auditor's remuneration		
- as auditor	20,190	22,300
Operating lease rentals payable	<u>57,400</u>	<u>-</u>

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
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5. PARTICULARS OF EMPLOYEES

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

	2011	2010
	No	No
Number of administrative staff	31	21
Number of management staff	4	4
	<u>35</u>	<u>25</u>
	<u>35</u>	<u>25</u>

The aggregate payroll costs of the above were:

	2011	2010
	£	<i>(restated)</i> £
Wages and salaries	787,716	676,269
Social security costs	73,504	63,023
	<u>861,220</u>	<u>739,292</u>
	<u>861,220</u>	<u>739,292</u>

6. DIRECTORS' EMOLUMENTS

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

	2011	2010
	£	<i>(restated)</i> £
Emoluments receivable	265,375	249,251
	<u>265,375</u>	<u>249,251</u>
	<u>265,375</u>	<u>249,251</u>

Remuneration of highest paid director:

	2011	2010
	£	<i>(restated)</i> £
Total remuneration (including benefits in kind)	100,374	100,019
	<u>100,374</u>	<u>100,019</u>
	<u>100,374</u>	<u>100,019</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	<i>(restated)</i> £
Interest payable on bank borrowing	1,296	276
Finance charges	145	2,032
	<u>1,441</u>	<u>2,308</u>
	<u>1,441</u>	<u>2,308</u>

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
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8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011	2010
	£	(restated) £
Current tax:		
UK Corporation tax based on the results for the year at 28% (2010 – 28%)	10,120	9,867
Over provision in prior year	(6,087)	–
Total current tax	<u>4,033</u>	<u>9,867</u>
Deferred tax:		
Origination and reversal of timing differences (note 16)	(2,294)	27,251
Total current tax	<u>1,739</u>	<u>37,118</u>

(b) Factors affecting current tax charge

The tax assessed on the (loss) / profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2010 - 28%).

	2011	2010
	£	(restated) £
(Loss) / profit on ordinary activities before taxation	<u>(8,393)</u>	<u>123,265</u>
(Loss) / profit on ordinary activities at standard rate of tax	(2,350)	34,514
Expenses not deductible for tax purposes	4,227	–
Capital allowances for period in excess of depreciation	5,127	(40,020)
Group relief	(2,931)	–
Rate difference	(1,348)	(3,300)
Other reconciling items	1,308	18,673
Total current tax (note 8(a))	<u>4,033</u>	<u>9,867</u>

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

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

The profit dealt with in the financial statements of the parent company was £137,730 (2010 £204,363).

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
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10. DIVIDENDS

Equity dividends	2011	2010
	£	(restated)
		£
Paid		
Equity dividends	<u>49,083</u>	<u>48,333</u>

11. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been included in the 2011 accounts for the group. This adjustment is in respect of additional costs within one of the group's subsidiary companies, Sterling Rock Limited. The group has identified an increase in a provision of £290,000, which should have been accounted for in 2010. This relates to costs not provided for in relation to potential claims from policies, which commenced during 2010.

In view of the size and nature of the adjustment, there has also been a correction made to reduce the group's corporation tax charge by £58,542.

12. INTANGIBLE FIXED ASSETS

Group	Goodwill
	£
COST	
At 1 April 2010 and 31 March 2011	<u>48,853</u>
AMORTISATION	
At 1 April 2010	14,658
Charge for the year	2,443
At 31 March 2011	<u>17,101</u>
NET BOOK VALUE	
At 31 March 2011	<u>31,752</u>
At 31 March 2010	<u>34,195</u>

Goodwill arises from the acquisition of NCI Consultants Limited. The goodwill is being amortised evenly over the directors' estimate of its expected useful life of 20 years.

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

13. TANGIBLE FIXED ASSETS

Group	Improvements to Leasehold Property £	Website Development £	Motor Vehicles £	Equipment £	Total £
COST					
At 1 April 2010	32,303	34,150	28,818	91,867	187,138
Additions	20,319	3,760	-	17,113	41,192
Disposals	(11,588)	-	-	(3,187)	(14,775)
At 31 March 2011	41,034	37,910	28,818	105,793	213,555
DEPRECIATION					
At 1 April 2010	7,268	15,658	16,658	40,957	80,541
Charge for the year	8,207	7,582	3,040	18,831	37,660
On disposals	(7,268)	-	-	(797)	(8,065)
At 31 March 2011	8,207	23,240	19,698	58,991	110,136
NET BOOK VALUE					
At 31 March 2011	32,827	14,670	9,120	46,802	103,419
At 31 March 2010	25,035	18,492	12,160	50,910	106,597

Hire purchase agreements

Included within the net book value of £103,419 is £Nil (2010 - £11,190) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2010 - £3,730).

Company	Improvements to Leasehold Property £	Motor Vehicles £	Equipment £	Total £
COST				
At 1 April 2010	20,714	7,460	20,976	49,150
Additions	20,320	-	14,159	34,479
Disposals	-	-	(3,187)	(3,187)
At 31 March 2011	41,034	7,460	31,948	80,442
DEPRECIATION				
At 1 April 2010	-	1,865	5,675	7,540
Charge for the year	8,207	1,399	6,767	16,373
On disposals	-	-	(796)	(796)
At 31 March 2011	8,207	3,264	11,646	23,117
NET BOOK VALUE				
At 31 March 2011	32,827	4,196	20,302	57,325
At 31 March 2010	20,714	5,595	15,301	41,610

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
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13. TANGIBLE FIXED ASSETS (continued)

Hire purchase agreements

Included within the net book value of £57,325 is £Nil (2010 - £5,595) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2010 - £1,865).

14. INVESTMENTS

Company	Group companies £
COST	
At 1 April 2010 and 31 March 2011	65,003
	<u><u>65,003</u></u>
NET BOOK VALUE	
At 31 March 2011 and 31 March 2010	65,003
	<u><u>65,003</u></u>

The companies listed below are all 100% subsidiaries of NCI Vehicle Rescue PLC except for NCI Insurance Services Limited which is owned 75%.

Subsidiary undertakings	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
All held by the company:				
NCI Consultants Limited	England	Ordinary shares	100%	Vehicle Rescue
NCI Insurance Services Limited	England	Ordinary shares	75%	Insurance Broking
Vehicle Rescue Network Limited	England	Ordinary shares	100%	Vehicle Rescue
Sterling Rock Limited	England	Ordinary shares	100%	Vehicle Rescue

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
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15. DEBTORS

	Group		Company	
	2011	2010 <i>(restated)</i>	2011	2010 <i>(restated)</i>
	£	£	£	£
Trade debtors	125,405	131,409	2,549	–
Amounts owed by group undertakings	–	–	531,889	297,461
Corporation tax repayable	54,522	–	–	–
Other debtors	5,686	17,155	–	–
Directors current accounts	1,309	9,682	–	–
Prepayments and accrued income	49,870	39,428	22,207	12,092
	<u>236,792</u>	<u>197,674</u>	<u>556,645</u>	<u>309,553</u>

The directors benefited from overdrawn loan accounts during the year. At the year end. Mr C Duwell owed £Nil (2010 - £3,324) and Mr N Richards-Smith owed £1,309 (2010 - £6,358). There was no interest charged on these overdrawn accounts.

16. DEFERRED TAXATION

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

	Group		Company	
	2011	2010 <i>(restated)</i>	2011	2010 <i>(restated)</i>
	£	£	£	£
Provision / (asset) brought forward (Decrease) / increase in provision (note 8)	12,883	(14,368)	(3,011)	–
	(2,294)	27,251	6,487	(3,011)
Liability carried forward	<u>10,589</u>	<u>12,883</u>	<u>3,476</u>	<u>(3,011)</u>

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

Group	2011		2010	
	Provided	Unprovided	Provided	Unprovided
	£	£	<i>(restated)</i> £	£
Excess of taxation allowances over depreciation on fixed assets	21,858	–	23,956	–
Tax losses available	(11,269)	(20,077)	(11,073)	(20,077)
	<u>10,589</u>	<u>(20,077)</u>	<u>12,883</u>	<u>(20,077)</u>

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

16. DEFERRED TAXATION *(continued)*

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

Company	2011		2010	
	Provided	Unprovided	Provided <i>(restated)</i>	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	10,794	–	8,062	–
Tax losses available	(7,318)	–	(11,073)	–
	<u>3,476</u>	<u>–</u>	<u>(3,011)</u>	<u>–</u>

17. CREDITORS: Amounts falling due within one year

	Group		Company	
	2011	2010 <i>(restated)</i>	2011	2010 <i>(restated)</i>
	£	£	£	£
Bank overdraft	4,953	–	–	–
Trade creditors	217,677	284,401	5,784	17,853
Hire purchase agreements	–	10,522	–	5,624
Directors' loan account	–	–	49	–
Other creditors including taxation and social security:				
Corporation tax	–	11,330	–	–
PAYE and social security	49,135	23,191	18,129	10,751
Other creditors	14,795	12,586	4,315	6,438
Accruals and deferred income	460,064	499,736	7,043	8,042
	<u>746,624</u>	<u>841,766</u>	<u>35,320</u>	<u>48,708</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group		Company	
	2011	2010 <i>(restated)</i>	2011	2010 <i>(restated)</i>
	£	£	£	£
Bank overdraft	4,953	–	–	–
Hire purchase agreements	–	10,522	–	5,624
	<u>4,953</u>	<u>10,522</u>	<u>–</u>	<u>5,624</u>

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

18. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	Group		Company	
	2011	2010	2011	2010
	£	(restated) £	£	(restated) £
Amounts payable within 1 year	–	10,522	–	5,624
Amounts payable between 2 and 5 years	–	–	–	–
	<u>–</u>	<u>10,522</u>	<u>–</u>	<u>5,624</u>
	<u><u>–</u></u>	<u><u>10,522</u></u>	<u><u>–</u></u>	<u><u>5,624</u></u>

19. SHARE-BASED PAYMENTS

On 11 November 2009, 233,333 share options were granted to the directors and on the 24 March 2010, 50,000 share options were granted to the chairman, Mr R Jackson.

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

Grant Date	Expiry Date	No. of Ordinary Shares and Price		Total
		29.5p	30.0p	
11 Nov 2009	11 Nov 2019	233,333	–	233,333
24 Mar 2010	24 Mar 2020	–	50,000	50,000
		<u>233,333</u>	<u>50,000</u>	<u>283,333</u>

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

Number of instruments granted	233,333	50,000
Grant date	11 Nov 2009	23 March 2010
Expiry dated	11 Nov 2019	23 March 2020
Contract term (years)	10	10
Exercise price	29.5p	30p
Share price at granting	30.5p	34.5p
Annual risk free rate (%)	2%	2%
Annual expected dividend yield (%)	0%	0%
Volatility	50%	50%
Fair value per grant instrument	18.91p	22.14p

The company recognised a charge to expenses of £18,075 (2010: £16,566 credit) relating to equity-settled share-based payment transactions during the year.

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group has a simple capital structure and it's principal financial asset is cash.

In addition, various other financial assets and liabilities (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations.

The group has no material exposure to market risk or currency risk.

The group monitors credit risk closely and considers that its current policy of credit checks meets its objectives of managing exposure to credit risk.

The group has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations.

21. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2011 the group had annual commitments under non-cancellable operating leases as set out below.

Group and Company	Land and buildings	
	2011	2010
	£	<i>(restated)</i> £
Operating leases which expire:		
Within 2 to 5 years	57,400	57,400
	57,400	57,400
	<u><u>57,400</u></u>	<u><u>57,400</u></u>

22. TRANSACTIONS WITH THE DIRECTORS

During the year the directors, Mr N Richards-Smith and Mr C Duwell, received a dividend of £12,502 each.

During the year the directors repaid the majority of the loans owed. At the year end the directors loan accounts were £1,309 (2010: £9,682) overdrawn. Subsequent repayments are scheduled to reduce the balance to nil.

The directors benefited from overdrawn loan accounts during the year. At the year end. Mr C Duwell owed £Nil (2010 - £3,324) and Mr N Richards-Smith owed £1,309 (2010 - £6,358). The only transactions that occurred during the year were the repayments of the loan accounts. There was no interest charged on the overdrawn accounts

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

23. RELATED PARTY TRANSACTIONS

The group was under the control of the directors throughout the current and previous year. Mr N Richards-Smith and Mr C Duwell are the managing and operations directors and together in aggregate the majority shareholders.

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

During the year the parent company recharged the costs of various management charges to all subsidiaries, on consolidation all management charges have been reversed apart from the VAT element on the management charge to NCI Insurance Services Limited. This is due to NCI Insurance Services Limited being exempt from VAT and therefore unable to recover the relevant amounts.

Within the year the parent company invoiced NCI Insurance Services Limited £90,008 (2010: £83,983) in respect of these management charges. At the year end NCI Insurance Services Limited owed the parent company £34,414 (2010: £37,143).

24. SHARE CAPITAL

Allotted, called up and fully paid:

	2011		2010 <i>(restated)</i>	
	No	£	No	£
Ordinary shares of £0.01 each	<u>9,816,665</u>	<u>98,167</u>	<u>9,816,665</u>	<u>98,167</u>

On 5 July 2010 a new share option scheme was established as an HMRC approved scheme. The aggregate number of shares in respect of which options can be granted under the old unapproved scheme and the new approved scheme cannot exceed 10% of the Ordinary Share Capital of the company. Under the new approved scheme options can be granted at an exercise price of not less than the market value of the ordinary shares at the time of the grant, and not less than 29.5p in any case. Options cannot normally be exercised until after three years from the date of grant, and cannot be exercised after more than ten years from the date of grant.

Details of options that have been granted are disclosed in Note 19.

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
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25. EARNINGS PER SHARE

The earnings per share is based upon a loss of £10,132 (2010: profit £86,147) and the weighted average number of shares of 9,816,665 (2010: 9,624,999).

The diluted earnings per share is based upon a loss of £10,132 (2010: profit £86,147) and on 11,026,664 (2010: 10,834,998) ordinary shares calculated as follows:

	2011	2010
	No.	<i>(restated)</i> No.
Basic weighted average number of ordinary shares	9,816,665	9,624,999
Dilutive potential ordinary shares:		
Employee share options	1,209,999	1,209,999
	<u>11,026,664</u>	<u>10,834,998</u>

26. RESERVES

Group	Share premium account £	Share options reserve £	Profit and loss account £
Balance brought forward as previously reported	493,215	6,205	68,829
Prior year adjustment (note 11)	-	-	(231,458)
	<u>493,215</u>	<u>6,205</u>	<u>(162,629)</u>
Restated balance as at 1 April 2010	493,215	6,205	(162,629)
Loss for the year	-	-	(10,132)
Equity dividend (note 10)	-	-	(49,083)
Recognition of equity-settled share-based payments in the year	-	18,075	-
Losses due to Minority interest	-	-	14,467
	<u>493,215</u>	<u>24,280</u>	<u>(207,377)</u>
Balance as at 31 March 2011	<u>493,215</u>	<u>24,280</u>	<u>(207,377)</u>

Company	Share premium account £	Share options reserve £	Profit and loss account £
Balance as at 1 April 2010	493,215	6,205	38,338
Profit for the year	-	-	137,730
Equity dividend (note 10)	-	-	(49,083)
Recognition of equity-settled share-based payments in the year	-	18,075	-
	<u>493,215</u>	<u>24,280</u>	<u>126,985</u>
Balance as at 31 March 2011	<u>493,215</u>	<u>24,280</u>	<u>126,985</u>

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

27. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2011	2010
	£	(restated)
	£	£
(Loss) / profit for the financial year	(10,132)	86,147
New ordinary share capital subscribed	–	5,500
Premium on new share capital subscribed	–	69,500
Equity dividends (note 10)	(49,083)	(48,333)
Recognition of equity-settled share-based payments in the year	18,075	(16,566)
	<hr/>	<hr/>
Net (reduction) / addition to shareholders' funds	(41,140)	96,248
Opening shareholders' funds (as previously reported)	665,506	337,800
Prior year adjustment (see note 11)	(231,458)	–
	<hr/>	<hr/>
Closing shareholders' funds	392,908	434,048
	<hr/> <hr/>	<hr/> <hr/>
	2011	2010
	£	(restated)
	£	£
Profit for the financial year	137,730	204,363
New equity share capital subscribed	–	5,500
Premium on new share capital subscribed	–	69,500
Equity dividends (note 10)	(49,083)	(48,333)
Recognition of equity-settled share-based payments in the year	18,075	(16,566)
	<hr/>	<hr/>
Net addition to shareholders' funds	106,722	214,464
Opening shareholders' funds	635,925	421,461
	<hr/>	<hr/>
Closing shareholders' funds	742,647	635,925
	<hr/> <hr/>	<hr/> <hr/>

28. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES

	2011	2010
	£	(restated)
	£	£
Operating (loss) / profit	(11,408)	123,471
Amortisation	2,443	2,443
Depreciation	37,660	27,213
Loss on disposal of fixed assets	3,524	1
Decrease / (increase) in debtors	15,404	40,460
(Decrease) / increase in creditors	(80,452)	228,525
Salary costs (non cash) in respect of share based payments	18,075	6,205
Professional fees (non cash) in respect of share based payments	–	(22,770)
	<hr/>	<hr/>
Net cash (outflow) / inflow from operating activities	(14,754)	405,548
	<hr/> <hr/>	<hr/> <hr/>

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

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

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2011	2010 <i>(restated)</i>
	£	£
Interest received	4,456	2,102
Interest paid	(1,296)	(276)
Interest element of hire purchase	(145)	(2,032)
	<hr/>	<hr/>
Net cash inflow / (outflow) from returns on investments and servicing of finance	3,015	(206)
	<hr/> <hr/>	<hr/> <hr/>

TAXATION

	2011	2010 <i>(restated)</i>
	£	£
Taxation	(69,885)	3,938
	<hr/> <hr/>	<hr/> <hr/>

CAPITAL EXPENDITURE

	2011	2010 <i>(restated)</i>
	£	£
Payments to acquire tangible fixed assets	(41,192)	(56,261)
Receipts from sale of fixed assets	3,186	1,982
	<hr/>	<hr/>
Net cash outflow from capital expenditure	(38,006)	(54,279)
	<hr/> <hr/>	<hr/> <hr/>

FINANCING

	2011	2010 <i>(restated)</i>
	£	£
Issue of equity share capital	-	5,500
Share premium on issue of equity share capital	-	69,500
Net inflow / (outflow) from other short-term creditors	2,209	2,627
Capital element of hire purchase	(10,522)	(2,020)
	<hr/>	<hr/>
Net cash (outflow) / inflow from financing	(8,313)	75,607
	<hr/> <hr/>	<hr/> <hr/>

NCI VEHICLE RESCUE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2011	2010
	£	£ <i>(restated)</i>
(Decrease) / Increase in cash in the year	(177,026)	382,275
Net inflow from other short-term creditors	(2,209)	(2,627)
Cash outflow in respect of hire purchase	10,522	2,020
Change in net funds	(168,713)	381,668
Net funds at 1 April 2010	927,123	545,455
Net funds at 31 March 2011	758,410	927,123

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2010 £	Cash flows £	At 31 Mar 2011 £
Net cash:			
Cash in hand and at bank	950,231	(177,026)	773,205
Debt:			
Debt due within 1 year	(12,586)	(2,209)	(14,795)
Hire purchase agreements	(10,522)	10,522	-
	(23,108)	8,313	(14,795)
Net funds	927,123	(168,713)	758,410