Registered number
01065301

# Mobile Vehicle Repairs Limited

## Annual Report and Accounts

## 31 December 2016

**Mobile Vehicle Repairs Limited**
**Report and accounts**
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**Mobile Vehicle Repairs Limited**
**Company Information**

**Directors**
M A Wilmshurst
D R Pugh

**Auditor**
KPMG LLP
Arlington Business Park
Theale
Reading
RG7 4SD

**Banker**
Barclays Bank plc
4th Floor
Bridgewater House
Counterslip
Bristol BS1 6BX

Investec Bank plc
Gresham Street
London
EC2V 7QP

**Registered office**
17a Thorney Leys Park
Witney
Oxfordshire
England
OX28 4GE

**Registered number**
01065301

**Mobile Vehicle Repairs Limited**
**Registered number: 01065301**
# Strategic Report

The directors present their report and accounts for the year ended 31 December 2016.

## Principal activities and review of the business

The principal activity of the Company is that of providing services to the accident repair industry.

During 2016 the business continued to operate a fleet of specialist vans for automotive glass repair and replacement which is coordinated using the common I.T. platform of its parent company, Nationwide Accident Repair Services Limited. The directors are pleased with the performance of the business during the year.

## Results and dividends

The company's turnover amounted to £8,369,467 (2015: £7,943,043) and the profit before taxation amounted to £157,163 (2015: £203,383). After a tax credit of £196 (2015: £307 credit there remains a profit of £157,359 (2015: £203,690). The directors do not recommend the payment of a dividend (2015: £nil). The retained profit for the year transferred to reserves was £157,359 (2015: £203,690).

## Principal risks and uncertainties

The Directors regularly review principal risks and uncertainties that affect the Group. In addition to credit risk and liquidity risk which are detailed in note 17, the Directors recognise that there are areas of key risk and uncertainty specific to the Company.

| Risk Area and Potential Impact | Company Strategy | Mitigation |
|---|---|---|
| **STRATEGIC AND OPERATIONAL** | | |
| Loss of key management and staff could potentially lead to a lack of necessary expertise and continuity. | The Company places significant emphasis on staff retention. | The Company maintains short lines of communication to senior managers and Directors. There are structured bonus and commission schemes in place to reward and retain key staff. Management consider teamwork, enthusiasm and innovation to be important tools for staff to develop their career paths within the company. |
| Loss of Business Continuity. Disruption to IT systems that impact on bodyshop activities could potentially impact on finances and operations. | There is a formal plan in place to redirect work to an alternative site, in addition to a comprehensive disaster recovery plan. | The Group has previously implemented its business continuity plan when it suffered two fires at bodyshops in 2009. There was little or no disruption to operations. There is a formal IT Disaster Recovery Plan and procedures for Data Security are regularly tested. |
| **FINANCIAL AND COMPLIANCE** | | |
| A failure to maintain sufficient internal and financial controls could potentially lead to incorrect information being used to manage the business. | The Company seeks to ensure that it has good financial controls at all times within its bodyshop locations. | The Company maintains a financial control framework which is reviewed and audited. |

**Mobile Vehicle Repairs Limited**
**Registered number: 01065301**
**Strategic Report**

**Summary of key performance indicators**

The Directors have monitored the progress of the overall company strategy and the individual strategic elements by reference to certain financial and non-financial key performance indicators.

| Key Performance Indicator | 2016 | 2015 | Method of Calculation |
|---|---|---|---|
| Turnover Split<br>Insurance<br>Fleet | <br>**60.1%**<br>**39.9%** | <br>56.2%<br>43.8% | Turnover and gross margin are reviewed by all business units on a monthly basis in order that the operational team can address work provision or operating practices respectively. |
| Gross profit margin (%) | **14.9%** | 16.0% | Gross profit margin is the ratio of gross profit to sales revenue expressed as a percentage. |

**Financial instrument risk**

The Company's financial risk management objectives and policies are detailed in note 17 to the accounts.

Michael Wilmshurst
Director

30 June 2017

**Mobile Vehicle Repairs Limited**
**Registered number: 01065301**
**Directors' Report**

The directors present their report and accounts for the year ended 31 December 2016.

**Directors**
The following persons served as directors during the year:

M A Wilmshurst
D R Pugh

**Going Concern**
Note 17 to the financial statements includes the company's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit risk and liquidity risk. Based on their review of the above, and consideration of the long term contracts with some of the main insurance companies and key suppliers, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. 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 statements.

**Employment of disabled persons**
The company gives full and fair consideration to applications for employment received from disabled persons, having regard to their particular aptitudes and abilities, and wherever possible the company continues the employment of, and arranges for appropriate training of, employees who become disabled persons while employed by the company. Disabled employees are treated no differently from any other employees as regards training, career development and promotion opportunities. The company operated this policy throughout the year.

**Employee involvement**
Effective employee relations are seen as key drivers in moving the company forward. Consequently, Human Resources, Quality, Health and Safety and Training functions need to establish good communications with individual sites and are therefore organised on a divisional basis. This structure enables staff to obtain the help and guidance they may need and keeps them informed of, and effectively involved in, the development of the Company's business. Regular review meetings are held at local, regional and Company level to ensure that all employees are kept informed of the Company's objectives. Progress towards those objectives is measured and reported back to individual sites. The Chief Executive holds regular workshops with selected, individual local managers to reinforce the Company's objectives and obtain feedback from local management.

**Greenhouse gas emissions**
The company is aware of the potential impact that climate change may have on its business strategy and ongoing operations. In response, we are developing long-term plans to mitigate our exposure to these uncertainties, to reduce our carbon footprint, and to take advantage of new opportunities that may arise from climate change.

***Financial instrument risk***
The Company's financial risk management objectives and policies are detailed in note 17 to the accounts.

**Auditor**
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

**Disclosure of information to auditor**
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 30 June 2017 and signed on its behalf.

Michael Wilmshurst
Director

**Mobile Vehicle Repairs Limited**
**Registered number: 01065301**
***Statement Of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements***

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations, including FRS 102 the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the board

Michael Wilmshurst

30 June 2017

**Report of the Independent Auditor to the members of Mobile Vehicle Repairs Limited**

We have audited the financial statements of Mobile Vehicle Repairs Limited for the year ended 31 December 2016 set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland).

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

**Respective responsibilities of directors and auditor**
As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit**
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

**Opinion on financial statements**
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Derek McAllan

Derek McAllan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale
Reading
RG7 4SD

Date 30/6/2017

**Mobile Vehicle Repairs Limited**
**Profit and loss account and Other Comprehensive Income**
**for the year ended 31 December 2016**

| | Notes | 2016 | 2015 |
|---|---|---|---|
| | | £ | £ |
| **Turnover** | 2 | **8,369,467** | 7,943,043 |
| Cost of sales | | **(7,123,722)** | (6,672,109) |
| **Gross profit** | | **1,245,745** | 1,270,934 |
| Distribution costs | | **(734,913)** | (692,422) |
| Administrative expenses | | **(353,918)** | (375,279) |
| **Operating profit** | 3 | **156,914** | 203,233 |
| Interest receivable | 6 | **249** | 150 |
| **Profit on ordinary activities before taxation** | | **157,163** | 203,383 |
| Tax on profit on ordinary activities | 7 | **196** | 307 |
| **Profit for the financial year** | | **157,359** | 203,690 |

All of the company's activities were classified as continuing.

There were no recognised gains or losses other than the profit attributable to the shareholder of the company of £157,359 in the year ended 31 December 2016 (2015: £203,690).

The accompanying notes form an integral part of these financial statements.

**Mobile Vehicle Repairs Limited**
**Balance Sheet**
**as at 31 December 2016**

| | Notes | | 2016 | | 2015 |
|---|---|---|---|---|---|
| | | | £ | | £ |
| **Fixed assets** | | | | | |
| Tangible assets | 8 | | **78,127** | | 108,044 |
| | | | **78,127** | | 108,044 |
| **Current assets** | | | | | |
| Stocks | 9 | **400,097** | | 291,021 | |
| Debtors | 10 | **1,874,573** | | 1,991,353 | |
| Cash at bank and in hand | | **221,360** | | 137,543 | |
| | | **2,496,030** | | 2,419,917 | |
| **Creditors: amounts falling due within one year** | 11 | **(2,129,895)** | | (2,241,058) | |
| **Net current assets** | | | **366,135** | | 178,859 |
| **Total assets less current liabilities** | | | **444,262** | | 286,903 |
| **Net assets** | | | **444,262** | | 286,903 |
| **Capital and reserves** | | | | | |
| Called up share capital | 13 | | **1,000** | | 1,000 |
| Profit and loss account | 14 | | **443,262** | | 285,903 |
| **Shareholders' funds** | 15 | | **444,262** | | 286,903 |

Michael Wilmshurst
Director
Approved by the board on 30 June 2017
Company Number: 01065301

The accompanying notes form an integral part of these financial statements.

**Mobile Vehicle Repairs Limited**
**Statement of Changes in Equity**
**for the year ended 31 December 2016**

| | Called up Share Capital £000 | Profit and loss account £000 | Total Equity £000 |
|---|---|---|---|
| **Balance at 1 January 2015** | **1,000** | **82,213** | **83,213** |
| **Total comprehensive income for the period** | | | - |
| Profit for the year | - | 203,690 | 203,690 |
| Dividends paid | - | - | - |
| Other comprehensive income | - | - | - |
| Total comprehensive income for the period | - | **203,690** | **203,690** |
| **Balance at 31 December 2015** | **1,000** | **285,903** | **286,903** |
| **Balance at 1 January 2016** | **1,000** | **285,903** | **286,903** |
| **Total comprehensive income for the period** | | | |
| Profit for the year | - | 157,359 | 157,359 |
| Other comprehensive income | - | - | - |
| Total comprehensive income for the period | - | **157,359** | **157,359** |
| **Balance at 31 December 2016** | **1,000** | **443,262** | **444,262** |

The accompanying notes form an integral part of these financial statements.

**Mobile Vehicle Repairs Limited**
**Notes to the Accounts**
**for the year ended 31 December 2016**

## 1 Accounting policies

***Basis of preparation***

Mobile Vehicle Repairs Limited (the "Company") is a private company limited by shares and incorporated, domiciled and registered in the UK. The registered address is 17a Thorney Leys Park, Witney, Oxon, OX28 4GE.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling.

The Company's parent undertaking, Nationwide Accident Repair Services Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Nationwide Accident Repair Services Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from 17a Thorney Leys Park, Witney, Oxfordshire,OX28 4GE.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Nationwide Accident Repair Services Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 18.

***Measurement convention***

The financial statements are prepared on the historical cost basis.

**Accounting policies (continued)**

***Going concern***

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2. In addition, note 17 to the financial statements includes the company's risk management objectives and policies. The company has sufficient financial resources for the directors to believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. 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 statements.

***Basic financial instruments***

**Trade and other debtors / creditors**

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

***Depreciation***

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired. Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

| | |
|---|---|
| Motor vehicles | 25% |
| Plant and equipment | 10% to 25% |
| Fixtures and fittings | 10% to 25% |

***Stock***

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

***Foreign currencies***

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

**Accounting policies (continued)**

***Impairment excluding stocks, and deferred tax asset***
Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred

**Turnover**
Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers once authority has been given by the customer and the work has been completed.

***Expenses***

***Operating leases***
Financial assets (including trade and other debtors)
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

***Interest receivable***
Other interest receivable and similar income include interest receivable on funds invested.
Interest income is recognised in profit or loss as it accrues, using the effective interest method.

***Taxation***
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

***Employee benefits***

**Defined contribution plans and other long term employee benefits**

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

**Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Company determines the net interest expense on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of Sterling, and having maturity dates approximating to the terms of the Company's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

**Group plans**

The Company's employees are members of a group wide defined benefit pension plan. The net defined benefit cost of the plan is charged to participating entities on the basis of the number of current members which for 2016 was nil (2015: nil). Accordingly, the Company's share of the Group's defined benefit pension deficit was £nil (2015: £nil).

## Mobile Vehicle Repairs Limited
## Notes to the Accounts
## for the year ended 31 December 2016

### 2 Turnover

All turnover is derived from the United Kingdom and from the business of accident repair operations.

### 3 Expenses and Auditor's remuneration

| | 2016 | 2015 |
|---|---|---|
| | £ | £ |
| Included in the profit are the following: | | |
| Depreciation of owned fixed assets | **40,691** | 60,053 |
| Operating lease rentals - plant and machinery | **209,263** | 212,973 |
| Auditor's remuneration | **5,000** | 5,000 |

Operating lease rentals for vehicles amounting to £209,263 (2015: £212,973) have been fully recharged by Network Services (Nationwide) Ltd

### 4 Staff numbers and costs

| | 2016 | 2015 |
|---|---|---|
| The average number of persons employed by the Company (including directors) during the year, analysed by category, was as | No. | No. |
| Directors | **2** | 2 |
| Administration | **80** | 73 |
| | **82** | 75 |

| | | |
|---|---|---|
| The aggregate payroll costs of these persons were as follows: | £ | £ |
| Wages and salaries | **1,706,019** | 1,691,334 |
| Social security costs | **141,968** | 144,524 |
| Other pension costs | **73,900** | 73,982 |
| | **1,921,887** | 1,909,840 |

### 5 Directors' remuneration

The emoluments of the directors, who are also directors of the Group, are apportioned within the subsidiary accounts based upon that Company's contribution to revenue and the respective time involved managing that entity.

| | 2016 | 2015 |
|---|---|---|
| | £ | £ |
| Directors' remuneration | **34,953** | 84,800 |
| Company's contribution to money purchase pension plans | **2,695** | 2,150 |
| | **37,648** | 86,950 |

### 6 Interest receivable

| | 2016 | 2015 |
|---|---|---|
| | £ | £ |
| Bank interest received | **(249)** | (150) |

**Mobile Vehicle Repairs Limited**
**Notes to the Accounts**
**for the year ended 31 December 2016**

| | | | |
|---|---|---|---|
| 7 | **Taxation** | **2016** | 2015 |
| | **Analysis of charge in period** | **£** | £ |
| | Current tax: | | |
| | UK corporation tax on profits of the period | **-** | 5,454 |
| | Adjustments in respect of previous periods | **(5,454)** | (12,000) |
| | | **(5,454)** | (6,546) |
| | Deferred tax: | | |
| | Origination and reversal of timing differences | **3,672** | 1,903 |
| | Deferred tax rate change | **1,586** | 4,485 |
| | Adjustment in respect of prior periods | **-** | (149) |
| | | **5,258** | 6,239 |
| | Tax on profit on ordinary activities | **(196)** | (307) |

**Factors affecting tax charge for period**
The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

| | 2016 | 2015 |
|---|---|---|
| | **£** | £ |
| Profit on ordinary activities before tax | **157,163** | 203,383 |
| Standard rate of corporation tax in the UK | **20.00%** | 20.25% |
| | **£** | £ |
| Profit on ordinary activities multiplied by the standard rate of corporation tax | **31,433** | 41,185 |
| Effects of: | | |
| Expenses not deductible for tax purposes | **-** | - |
| Effect of rate change | **1,586** | 4,485 |
| Difference between current and deferred tax rates | **-** | (238) |
| Under provided in prior years | **(5,454)** | (12,149) |
| Surrender of Group Relief | **(27,761)** | (33,590) |
| Total tax charge for period | **(196)** | (307) |

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 16 October 2015. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 March 2016 has been calculation based on these rates. The March 2016 Budget announced that the rate will further reduce to 17% (effective from 1 April 2020). This will further reduce the company's future current tax charge and impact the company's deferred tax position accordingly.

## 8 Tangible fixed assets

| | Plant and machinery £ |
|---|---|
| **Cost** | |
| At 1 January 2016 | 884,330 |
| Additions | 10,774 |
| Disposals | - |
| At 31 December 2016 | 895,104 |
| **Depreciation** | |
| At 1 January 2016 | 776,286 |
| Charge for the year | 40,691 |
| Disposals | - |
| At 31 December 2016 | 816,977 |
| **Net book value** | |
| **At 31 December 2016** | **78,127** |
| At 31 December 2015 | 108,044 |

## 9 Stocks

| | **2016** £ | 2015 £ |
|---|---|---|
| Goods for resale | **400,097** | 291,021 |

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £4,737,000 (2015: £4,290,000). There was no write-down of stocks to net realisable value during the year (2015: £Nil), nor any reversal of write-downs (2015: £Nil).

## 10 Debtors

| | **2016** £ | 2015 £ |
|---|---|---|
| Trade debtors | **518,995** | 674,822 |
| Amounts owed by group undertakings | **1,245,786** | 1,268,033 |
| Corporation tax | **7,500** | 6,546 |
| Deferred tax | **33,206** | 38,464 |
| Prepayments and accrued income | **69,086** | 10,034 |
| | **1,874,573** | 1,991,353 |

## 11 Creditors: amounts falling due within one year

| | **2016** £ | 2015 £ |
|---|---|---|
| Trade creditors | **593,174** | 573,598 |
| Amounts owed to group undertakings | **1,407,628** | 1,409,000 |
| Other taxes and social security costs | **91,518** | 118,330 |
| Other creditors | **25,747** | 22,888 |
| Accruals and deferred income | **11,828** | 123,788 |
| | **2,129,895** | 2,247,604 |

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### 12 Deferred taxation

| | 2016 | 2015 |
|---|---|---|
| | £ | £ |
| Accelerated capital allowances | **(33,206)** | (38,464) |

| | 2016 | 2015 |
|---|---|---|
| | £ | £ |
| At 1 January | **(38,464)** | (44,703) |
| Deferred tax charge/(credit) in profit and loss account | **5,258** | 6,239 |
| At 31 December | **(33,206)** | (38,464) |

### 13 Share capital

| | 2016 | 2015 | 2016 | 2015 |
|---|---|---|---|---|
| | No | No | £ | £ |
| Allotted, called up and fully paid: | | | | |
| Ordinary shares of £1 each | **1,000** | 1,000 | **1,000** | 1,000 |

### 14 Reserves

| | Profit and loss account |
|---|---|
| | £ |
| At 1 January 2015 | 82,213 |
| Profit for the financial year | 203,690 |
| **At 31 December 2015** | **285,903** |
| | |
| At 1 January 2016 | 285,903 |
| Profit for the financial year | 157,359 |
| **At 31 December 2016** | **443,262** |

### 15 Reconciliation of movement in shareholders' funds

| | 2016 | 2015 |
|---|---|---|
| | £ | £ |
| At 1 January | **286,903** | 83,213 |
| Profit for the financial year | **157,359** | 203,690 |
| At 31 December | **444,262** | 286,903 |

## 16 Pension commitments

***Multi-employer defined benefit scheme***

The Group operates a defined benefit scheme in the UK. The information disclosed below is in respect of the whole of the plans.

| | 2016 £000 | 2015 £000 |
|---|---|---|
| Defined benefit obligation | 125,657 | 101,457 |
| Plan assets | (88,579) | (78,207) |
| Net pension liability | 37,078 | 23,250 |

| **Movements in present value of defined benefit obligation** | 2016 £000 | 2015 £000 |
|---|---|---|
| **At 1 January** | 101,457 | 100,761 |
| Interest expense | 3,923 | 3,649 |
| **Total amount recognised in income statement** | 3,923 | 3,649 |
| Change in demographic assumptions | - | 2,424 |
| Change in financial assumptions | 26,471 | (3,917) |
| Experience gains | (2,352) | 2,186 |
| **Total remeasurements in other comprehensive income** | 24,119 | 693 |
| Benefit payments | (3,842) | (3,646) |
| **At 31 December** | 125,657 | 101,457 |

| **Movements in fair value of plan assets** | 2016 £000 | 2015 £000 |
|---|---|---|
| **At 1 January** | 78,207 | 78,662 |
| Administration expenses | (952) | (827) |
| Interest Income | 3,047 | 2,867 |
| **Total amount recognised in income statement** | 2,095 | 2,040 |
| Return on plan assets less interest income | 9,119 | (1,449) |
| **Total remeasurements in other comprehensive income** | 9,119 | (1,449) |
| Contributions by employer | 3,000 | 2,600 |
| Contributions by members | - | - |
| Benefit payments | (3,842) | (3,646) |
| **At 31 December** | 88,579 | 78,207 |

| **Expense recognised in the profit and loss account** | 2016 £000 | 2015 £000 |
|---|---|---|
| Current service cost | (952) | (827) |
| Net interest on net defined benefit liability | (876) | (782) |
| **Total amount recognised in income statement** | (1,828) | (1,609) |

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**16 Pension commitments (Contd.)**

| | **2016** | 2015 |
|---|---|---|
| **The categories of the plan assets at period end were as follows:** | **%** | % |
| Equities | **0.0%** | 66.5% |
| Bonds | **0.0%** | 23.6% |
| LDI | **15.0%** | 0.0% |
| Diversified Growth Funds | **83.3%** | 8.3% |
| Cash | **1.7%** | 1.6% |
| **Actual return on plan assets** | **100.0%** | 100.0% |

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

The assumptions used in calculating the accounting costs and obligations of the defined benefits pension plans, as detailed below, are set by the Directors after consultation with independent, professionally qualified actuaries.

The discount rate used to determine the present value of the obligations is set by reference to market yields on high quality corporate bonds. The assumptions for price inflation are set by reference to the difference between yields on longer-term conventional government bonds and index-linked bonds with

The assumptions for life expectancy have been set with reference to the actuarial tables in accordance with published statistics in the UK and the latest funding valuation with an element of prudence removed.

| | **2016** | 2015 |
|---|---|---|
| | **%** | % |
| Interest rate for discounting liabilities | **2.75** | 3.95 |
| Deferred Revaluation | **2.15** | 1.85 |
| Pension increases in payment in line with RPI or 5% pa if less | **3.15** | 3.05 |
| Pension increases in payment in line with RPI or 2.5% pa if less | **2.10** | 2.50 |
| RPI rate of inflation | **3.35** | 3.05 |
| CPI rate of inflation | **2.15** | 1.85 |
| | | |
| Mortality<br>Current / future pensioners: | **105%/100% S2PxA** | 105%/100% S2PxA |
| | | |
| Life expectancies | | |
| For a 65 year old male (current pensioner) | **21.5** | 21.5 |
| For a 65 year old male, currently aged 45 | **22.8** | 22.7 |
| For a 65 year old female (current pensioner) | **23.9** | 23.8 |
| For a 65 year old female, currently aged 45 | **25.4** | 25.3 |
| | | |
| Cash commutation | **90% take 30% of pension** | 90% take 30% of pension |

The date of the last formal funding valuation was 31 December 2014.

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**17 Risk management objectives and policies**

The company is exposed to a variety of financial risks which result from both its operating and investing activities. The company's risk management is coordinated at its headquarters and is regularly discussed by the board of directors. The company does not engage in the trading of financial assets nor does it write options. The most significant financial risks to which the company is exposed are as follows:

i) Credit risk

The company's trade and other receivables are monitored actively to avoid significant concentrations of credit risk. The company varies its credit terms with new customers in order to reduce this risk.

ii) Cash flow and interest rate risks

The company is not exposed to interest rate risk on its financial assets and financial liabilities.

The Barclays Bank plc overdraft rate is only payable when the facility is utilised.

iii) Market risk

The company does not have any financial instruments which would be affected by changes in market prices. It is the view of management that the company is not exposed to a material degree of market risk.

**18 Accounting estimates and judgements**

Estimates and assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the Balance Sheet date are discussed below. These are included for completeness, although it is the Directors' view that, with the exception of the assumptions underlying the defined benefit pension scheme liability which are discussed in note 16, none of these have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment loss of trade and other receivables: The Company's policy for doubtful receivables is based on the on-going evaluation of the collectability and ageing analysis of the trade and other receivables and on management's judgements. Considerable judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of the Company's receivables were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment loss of trade and other receivables may be required. The carrying amounts of these assets are shown in note 10.

Pension assumptions: The present value of the defined benefit obligation ("DBO") at the balance sheet date and the amounts recognised in the statement of comprehensive income are determined by an independent actuary based on assumptions detailed in note 16 to the financial statements. The recognition of a pension deficit in respect of the defined benefit pension scheme is in accordance with IAS 19 (revised) and is a judgement regarding the application of the accounting policy adopted by the Group. The calculation of the pension deficit within the pension disclosures is inherently volatile, being dependent on the assumptions chosen by the Directors.

### 19 Controlling party

The Company is a subsidiary undertaking of Nationwide Accident Repair Services Limited. Copies of the accounts can be obtained from the registered office of the Company. The ultimate controlling party is CSP III Canaveral Co-Investment (Cayman) L.P. The smallest Group for which accounts are drawn up and which the Company is a member of is Canaveral Holdco Limited. Canaveral Holdco Limited is indirectly owned 75.3% by CSP III Cayman International AIV, L.P. (Cayman). ("CSP III AIV"), 12.4% by CSP III Canaveral Co-Investment (Cayman) L.P. ("CSP Co-Investment"), L.P., and 12.3% by management of Nationwide Accident Repair Services.