

REGISTERED NUMBER: 05987949 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014  
FOR  
AA MECHANICAL INSURANCE SERVICES LIMITED**

TUESDAY



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COMPANIES HOUSE

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**for the year ended 31 March 2014**

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**AA MECHANICAL INSURANCE SERVICES LIMITED**

**COMPANY INFORMATION**  
**for the year ended 31 March 2014**

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**DIRECTORS:**

D Antcliff  
S J Tennyson  
F D Pinkney  
D L Pinkney  
P N Pinkney

**SECRETARY:**

D Antcliff

**REGISTERED OFFICE:**

Warranty House  
Savile Street East  
Sheffield  
South Yorkshire  
S4 7UQ

**REGISTERED NUMBER:**

05987949 (England and Wales)

**AUDITORS:**

C J Woodhead & Co. Ltd  
Chartered Accountants and  
Statutory Auditors  
158 Hemper Lane  
Sheffield  
South Yorkshire  
S8 7FE

**STRATEGIC REPORT**  
**for the year ended 31 March 2014**

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The directors present their strategic report for the year ended 31 March 2014.

The principal activity of the company in the year under review was that of the supply and administration of guarantee schemes and insurance based products to the motor industry.

The directors feel that demand for warranty related products in the used car market is increasingly more competitive.

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

**Financial Key Performance Indicators**

|  | <b>2014</b>     | <b>2013 (as restated)</b> |
|--|-----------------|---------------------------|
| Net rated premium income                     | <b>£5.7m</b>    | £6.2m                     |
| Turnover relative to principal activity      | <b>£2.8m</b>    | £4.7m                     |
| Profit/(loss) before tax & exceptional items | <b>(£0.14m)</b> | £1.32m                    |
| Retained profit/(loss) for the year          | <b>(£0.14m)</b> | £1.32m                    |
| Current ratio                                | <b>4.8</b>      | 1.9                       |

The company's sole activity has been the sale of mechanical breakdown insurance and associated motor insurance products using the brand AA Warranty under licence from The AA.

Overall premium income has decreased by 8.2% (2013 -24.2%) on that reported in the previous year. This is predominantly a reflection of the reduction of tele-marketing business, initially sold by the company, but now being renewed by other group companies. The main impact upon profitability has been limited due to an adverse performance in the dealer market, with increased competition and pressure on pricing to maintain market share.

The introduction of administration programmes from 2011 has seen a move from premium income to a management fee, which has also contributed to the downturn in premium income derived from dealers.

The costs associated with the use of the AA Warranty brand are considerable:

|  | <b>2014</b>  | <b>2013</b> |
|--|--------------|-------------|
| Commission as a percentage of turnover | <b>17.3%</b> | 9.8%        |

The reduction in net turnover, due to conditions in the dealer market, has resulted in a higher percentage cost for use of the brand.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The main risk affecting the company is the decline in sales across the motor industry resulting from the ongoing economic pressure to retain or even reduce pricing, whilst there is upward pressure on operating costs.

The company continues to be supported financially by its parent company, Motorway Direct Plc.

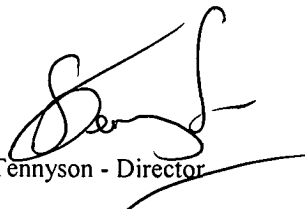
**STRATEGIC REPORT**  
**for the year ended 31 March 2014**

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A senior appointment has been made within the company to provide more impetus to the commercial side of the business.

Despite the decline in financial performance for the period under review, the directors are encouraged by the forward outlook.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'S J Tennyson', written over a horizontal line.

S J Tennyson - Director

30 September 2014

**REPORT OF THE DIRECTORS**  
**for the year ended 31 March 2014**

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The directors present their report with the financial statements of the company for the year ended 31 March 2014.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2014.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2013 to the date of this report.

D Antcliff  
S J Tennyson  
F D Pinkney  
D L Pinkney  
P N Pinkney

**FINANCIAL INSTRUMENTS**

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit, and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS**  
**for the year ended 31 March 2014**

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**AUDITORS**

The auditors, C J Woodhead & Co. Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'D Antcliff', written over a horizontal line.

D Antcliff - Secretary

30 September 2014

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AA MECHANICAL INSURANCE SERVICES LIMITED**

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We have audited the financial statements of AA Mechanical Insurance Services Limited for the year ended 31 March 2014 on pages eight to seventeen. 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 a Report of the Auditors 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 auditors**

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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



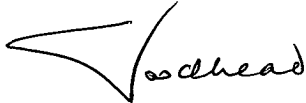
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
AA MECHANICAL INSURANCE SERVICES LIMITED**

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

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

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



Christopher Woodhead F.C.A. (Senior Statutory Auditor)  
for and on behalf of C J Woodhead & Co. Ltd  
Chartered Accountants and  
Statutory Auditors  
158 Hemper Lane  
Sheffield  
South Yorkshire  
S8 7FE

Date: 30/9/14

**PROFIT AND LOSS ACCOUNT**  
 for the year ended 31 March 2014

|   |       | 2014                    | 2013                    |
|---|-------|-------------------------|-------------------------|
|   | Notes | £                       | as restated<br>£        |
| <b>TURNOVER</b>   |       | <b>2,775,172</b>        | <b>4,846,863</b>        |
| Cost of sales   |       | <u>70,456</u>           | <u>(99,242)</u>         |
| <b>GROSS PROFIT</b>   |       | <b>2,845,628</b>        | <b>4,747,621</b>        |
| Administrative expenses   |       | <u>(3,876,516)</u>      | <u>(4,135,239)</u>      |
|   |       | <b>(1,030,888)</b>      | <b>612,382</b>          |
| Other operating income  |       | <u>967,307</u>          | <u>853,491</u>          |
| <b>OPERATING (LOSS)/PROFIT</b>                                  | 3     | <b>(63,581)</b>         | <b>1,465,873</b>        |
| Interest receivable and similar income                          |       | <u>1,538</u>            | <u>590</u>              |
|   |       | <b>(62,043)</b>         | <b>1,466,463</b>        |
| Interest payable and similar charges                            | 4     | <u>(75,712)</u>         | <u>(143,145)</u>        |
| <b>(LOSS)/PROFIT ON ORDINARY<br/>ACTIVITIES BEFORE TAXATION</b> |       | <b>(137,755)</b>        | <b>1,323,318</b>        |
| Tax on (loss)/profit on ordinary activities                     | 5     | <u>-</u>                | <u>(268)</u>            |
| <b>(LOSS)/PROFIT FOR THE FINANCIAL<br/>YEAR</b>                 |       | <b><u>(137,755)</u></b> | <b><u>1,323,050</u></b> |

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

The notes form part of these financial statements

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**for the year ended 31 March 2014**

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|  | <b>2014</b>      | <b>2013</b>        |
|--|------------------|--------------------|
|  | <b>£</b>         | <b>as restated</b> |
|  |                  | <b>£</b>           |
| <b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>    | <b>(137,755)</b> | <b>1,323,050</b>   |
|  | <hr/>            | <hr/>              |
| <b>TOTAL RECOGNISED GAINS AND LOSSES</b>       |                  |                    |
| <b>RELATING TO THE YEAR</b>                    | <b>(137,755)</b> | <b>1,323,050</b>   |
|  | <hr/>            |                    |
| Prior year adjustment                          |                  | <b>(427,334)</b>   |
|  |                  | <hr/>              |
| <b>TOTAL GAINS AND LOSSES RECOGNISED SINCE</b> |                  |                    |
| <b>LAST ANNUAL REPORT</b>                      |                  | <b>895,716</b>     |
|  |                  | <hr/>              |

The notes form part of these financial statements

**BALANCE SHEET**  
**31 March 2014**

|  |              | <b>2014</b>      | <b>2013</b>              |
|--|--------------|------------------|--------------------------|
|  |              | <b>£</b>         | <b>as restated<br/>£</b> |
| <b>CURRENT ASSETS</b>                        | <b>Notes</b> |                  |                          |
| Debtors                                      | 7            | 2,016,309        | 3,767,229                |
| Cash at bank                                 |              | 26,601           | 105,438                  |
|  |              | <u>2,042,910</u> | <u>3,872,667</u>         |
| <b>CREDITORS</b>                             |              |                  |                          |
| Amounts falling due within one year          | 8            | (421,610)        | (2,043,156)              |
| <b>NET CURRENT ASSETS</b>                    |              | <u>1,621,300</u> | <u>1,829,511</u>         |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |              | 1,621,300        | 1,829,511                |
| <b>PROVISIONS FOR LIABILITIES</b>            | 9            | (709,987)        | (780,443)                |
| <b>NET ASSETS</b>                            |              | <u>911,313</u>   | <u>1,049,068</u>         |
| <b>CAPITAL AND RESERVES</b>                  |              |                  |                          |
| Called up share capital                      | 10           | 1                | 1                        |
| Profit and loss account                      | 11           | 911,312          | 1,049,067                |
| <b>SHAREHOLDERS' FUNDS</b>                   | 15           | <u>911,313</u>   | <u>1,049,068</u>         |

The financial statements were approved by the Board of Directors on 30 September 2014 and were signed on its behalf by:



D Antcliff - Director

**CASH FLOW STATEMENT**  
for the year ended 31 March 2014

|   |            | 2014        | 2013             |
|---|------------|-------------|------------------|
|   |            | £           | as restated<br>£ |
| Net cash inflow/(outflow)<br>from operating activities      | Notes<br>1 | 1,231,662   | (249,089)        |
| Returns on investments and<br>servicing of finance          | 2          | (74,174)    | (142,555)        |
| Taxation  |            | (268)       | -                |
|   |            | 1,157,220   | (391,644)        |
| Financing   | 2          | (1,236,057) | 420,372          |
| (Decrease)/increase in cash in the period                   |            | (78,837)    | 28,728           |
| Reconciliation of net cash flow<br>to movement in net funds | 3          |             |                  |
| (Decrease)/increase in cash in the period                   |            | (78,837)    | 28,728           |
| Change in net funds resulting<br>from cash flows            |            | (78,837)    | 28,728           |
| Movement in net funds in the period                         |            | (78,837)    | 28,728           |
| Net funds at 1 April  |            | 105,438     | 76,710           |
| Net funds at 31 March                                       |            | 26,601      | 105,438          |

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT**  
for the year ended 31 March 2014

**1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

|  | 2014             | 2013<br>as restated |
|--|------------------|---------------------|
|  | £                | £                   |
| Operating (loss)/profit                                    | (63,581)         | 1,465,873           |
| Increase/(Decrease) in admin provision                     | (70,456)         | 99,242              |
| Decrease/(increase) in debtors                             | 2,088,889        | (842,283)           |
| Decrease in creditors                                      | (723,190)        | (971,921)           |
| <b>Net cash inflow/(outflow) from operating activities</b> | <b>1,231,662</b> | <b>(249,089)</b>    |

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

|   | 2014               | 2013<br>as restated |
|---|--------------------|---------------------|
|   | £                  | £                   |
| <b>Returns on investments and servicing of finance</b>                      |                    |                     |
| Interest received   | 1,538              | 590                 |
| Interest paid   | (75,712)           | (143,145)           |
| <b>Net cash outflow for returns on investments and servicing of finance</b> | <b>(74,174)</b>    | <b>(142,555)</b>    |
| <b>Financing</b>  |                    |                     |
| Loans with group companies  | (1,236,057)        | 420,372             |
| <b>Net cash (outflow)/inflow from financing</b>                             | <b>(1,236,057)</b> | <b>420,372</b>      |

**3. ANALYSIS OF CHANGES IN NET FUNDS**

|              | At 1/4/13<br>£ | Cash flow<br>£  | At<br>31/3/14<br>£ |
|--------------|----------------|-----------------|--------------------|
| Net cash:    |                |                 |                    |
| Cash at bank | 105,438        | (78,837)        | 26,601             |
|              | <u>105,438</u> | <u>(78,837)</u> | <u>26,601</u>      |
| <b>Total</b> | <b>105,438</b> | <b>(78,837)</b> | <b>26,601</b>      |

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared on a going concern basis on the assumption that the parent company will continue its financial support of the company.

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents insurance commission net of underwriting, third party commission and claims administration provisions. Turnover is recognised on the receipt of applications for cover for customers.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**2. STAFF COSTS**

There were no staff costs for the year ended 31 March 2014 nor for the year ended 31 March 2013.

**3. OPERATING (LOSS)/PROFIT**

The operating loss (2013 - operating profit) is stated after charging:

|                         | 2014         | 2013<br>as restated |
|-------------------------|--------------|---------------------|
|                         | £            | £                   |
| Auditors' remuneration  | <u>6,000</u> | <u>6,000</u>        |
| Directors' remuneration | <u>-</u>     | <u>-</u>            |

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

|                              | 2014          | 2013<br>as restated |
|------------------------------|---------------|---------------------|
|                              | £             | £                   |
| Funding charges and interest | <u>75,712</u> | <u>143,145</u>      |

**5. TAXATION**

**Analysis of the tax charge**

The tax charge on the loss on ordinary activities for the year was as follows:

|   | 2014     | 2013<br>as restated |
|---|----------|---------------------|
|   | £        | £                   |
| Current tax:                                |          |                     |
| UK corporation tax                          | <u>-</u> | <u>268</u>          |
| Tax on (loss)/profit on ordinary activities | <u>-</u> | <u>268</u>          |

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 March 2014**

**5. TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

|   | 2014             | 2013<br>as restated |
|---|------------------|---------------------|
|   | £                | £                   |
| (Loss)/profit on ordinary activities before tax   | <u>(137,755)</u> | <u>1,323,318</u>    |
| (Loss)/profit on ordinary activities<br>multiplied by the standard rate of corporation tax<br>in the UK of 23% (2013 - 24%) | (31,684)         | 317,596             |
| Effects of:   |                  |                     |
| Expenses not deductible for tax purposes  | (4,005)          | 5,955               |
| Utilisation of tax losses   | 35,689           | (323,551)           |
| Adjustments to tax charge in respect of previous periods  | -                | 268                 |
|   | <u>-</u>         | <u>268</u>          |
| Current tax charge  | <u>-</u>         | <u>268</u>          |

**6. PRIOR YEAR ADJUSTMENT**

Prior year adjustments comprise the following restatements of results for previous periods.

|  | Increase/(Decrease) in prior<br>year profits |                  |
|--|--|------------------|
|  | 2013<br>£                                    | 2013<br>£        |
| Underwriter profit share overstated in earlier periods         | -  | (372,705)        |
| Claims administration provision understated in earlier periods | -  | (54,629)         |
|  | <u>-</u>                                     | <u>(427,334)</u> |

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2014             | 2013<br>as restated |
|------------------------------------|------------------|---------------------|
|                                    | £                | £                   |
| Trade debtors                      | 1,267,047        | 1,026,092           |
| Amounts owed by group undertakings | 600,935          | 262,966             |
| Other debtors                      | 91,900           | 2,441,558           |
| Claims control                     | 51,040           | -                   |
| Prepayments                        | 5,387            | 36,613              |
|                                    | <u>2,016,309</u> | <u>3,767,229</u>    |



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 March 2014**

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2014           | 2013<br>as restated |
|------------------------------------|----------------|---------------------|
|                                    | £              | £                   |
| Trade creditors                    | 110,519        | 194,853             |
| Amounts owed to group undertakings | 91             | 898,179             |
| Tax                                | -              | 268                 |
| VAT                                | 35,396         | 25,677              |
| Other creditors                    | 143,129        | 860,571             |
| Accruals & deferred income         | 132,475        | 63,608              |
|                                    | <u>421,610</u> | <u>2,043,156</u>    |

**9. PROVISIONS FOR LIABILITIES**

|                       | 2014           | 2013<br>as restated |
|-----------------------|----------------|---------------------|
|                       | £              | £                   |
| Other provisions      |                |                     |
| Claims administration | <u>709,987</u> | <u>780,443</u>      |

**10. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

| Number: | Class:   | Nominal<br>value: | 2014     | 2013<br>as restated |
|---------|----------|-------------------|----------|---------------------|
|         |          |                   | £        | £                   |
| 1       | Ordinary | £1                | <u>1</u> | <u>1</u>            |

**11. RESERVES**

|                      | Profit<br>and loss<br>account<br>£ |
|----------------------|------------------------------------|
| At 1 April 2013      | 1,049,067                          |
| Deficit for the year | <u>(137,755)</u>                   |
| At 31 March 2014     | <u>911,312</u>                     |

**12. ULTIMATE PARENT COMPANY**

Car Protect Holdings Limited (incorporated in Gibraltar) is regarded by the directors as being the company's ultimate parent company.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 March 2014**

**13. RELATED PARTY DISCLOSURES**

**Commission Payments**

During the year commissions were paid on normal commercial terms to the following related parties:

Mr C Pinkney, son of the director Mr F D Pinkney, totalling £34,186 (2013 - £49,465).  
 Mrs S Pinkney, wife of the director Mr P N Pinkney, totalling £35,682 (2013 - £29,904).  
 Mr P D Pinkney, son of the director Mr P N Pinkney, totalling £33,195 (2013 - £30,541).

**Motorway Direct Plc**

Parent company

During the year Motorway Direct Plc recharged group overheads to AA Mechanical Insurance Services Limited.

|  | 2014           | 2013<br>as restated |
|--|----------------|---------------------|
|  | £              | £                   |
| Amount due from/(to) related party at the balance sheet date | <u>445,348</u> | <u>(801,646)</u>    |

**Car Protect Limited**

Fellow subsidiary of Motorway Direct Plc

During the year Car Protect Limited paid net costs on behalf of the company.

|  | 2014      | 2013<br>as restated |
|--|-----------|---------------------|
|  | £         | £                   |
| Amount due from/(to) related party at the balance sheet date | <u>26</u> | <u>(96,442)</u>     |

**London Wall Insurance Services Limited**

Fellow subsidiary of Motorway Direct Plc

During the year the company paid net costs on behalf of London Wall Insurance Services Limited.

|   | 2014           | 2013<br>as restated |
|---|----------------|---------------------|
|   | £              | £                   |
| Amount due from related party at the balance sheet date | <u>155,561</u> | <u>262,966</u>      |

**RAC Mechanical Insurance Services Limited**

Fellow subsidiary of Motorway Direct Plc

During the year RAC Mechanical Insurance Services Limited paid net costs on behalf of the company.

|   | 2014      | 2013<br>as restated |
|---|-----------|---------------------|
|   | £         | £                   |
| Amount due to related party at the balance sheet date | <u>91</u> | <u>91</u>           |

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2014

13. RELATED PARTY DISCLOSURES - continued

**CHF Accountancy Limited**

A company in which Mr D Antcliff is a director and shareholder

During the year the company was invoiced £98 excluding VAT for company secretarial services by CHF Accountancy Limited.

**Boomerang-Tag Limited**

A company in which Mr F D Pinkney & Mr S J Tennyson are shareholders

During the year the company received invoices from Boomerang-Tag Limited on normal commercial terms for goods and services to the value of £8,281 (2013 - £10,731).

|   | 2014         | 2013<br>as restated |
|---|--------------|---------------------|
|   | £            | £                   |
| Amount due to related party at the balance sheet date | <u>2,013</u> | <u>543</u>          |

14. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Board of Directors of Motorway Direct Plc, a company registered in England and Wales.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|   | 2014             | 2013<br>as restated |
|---|------------------|---------------------|
|   | £                | £                   |
| (Loss)/profit for the financial year            | <u>(137,755)</u> | <u>1,323,050</u>    |
| Net (reduction)/addition to shareholders' funds | <u>(137,755)</u> | <u>1,323,050</u>    |
| Opening shareholders' funds                     | <u>1,049,068</u> | <u>(273,982)</u>    |
| Closing shareholders' funds                     | <u>911,313</u>   | <u>1,049,068</u>    |