

# The Rescue Service Limited

UNAUDITED

FINANCIAL STATEMENTS

for the year to

31 December 2014

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COMPANIES HOUSE

# The Rescue Service Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

S R M Tidd  
S Salter (appointed 8 January 2015)  
I Jacob (appointed 21 April 2015)

### SECRETARY

A McGeechan

### REGISTERED OFFICE

Eridge House  
1 Linden Close  
Tunbridge Wells  
TN4 8HH

### BANKERS

Svenska Handelsbanken AB publ  
7<sup>th</sup> Floor, Seacourt Tower  
West Way  
Botley  
Oxford OX2 0JJ

### SOLICITORS

Thomson, Snell & Passmore  
3 Lonsdale Gardens  
Tunbridge Wells  
Kent  
TN1 1NX

# The Rescue Service Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of the company for the year to 31 December 2014.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of claims handling services in respect of roadside assistance.

### BUSINESS REVIEW

The road rescue market is dominated by a small number of large companies. The Rescue Service provides a high quality alternative to these larger organisations, working closely with its business partners and suppliers to provide a tailored package for their customers.

The business links a quality network of agents with customers in difficulty through a 24/7 claims operation in Leeds. The customer experience at the time of breakdown is at the center of the philosophy and the company continuously achieves exceptionally high rates of customer satisfaction. It is recognised that the breakdown experience is often key to a customer's overall impression of a business partner's quality of service and therefore The Rescue Service positions itself to go the extra mile to meet customers' expectations at the time of claim.

The above philosophy and approach comes at a cost, and therefore The Rescue Service is not the lowest cost provider on the market, it benchmarks itself as having a higher quality of service than all the main providers and has demonstrated excellent customer retention on behalf of its clients.

Turnover increased by 31% this year created largely by organic growth.

Our operating profit was £157,491 in 2014 (2013: £21,025 loss) due to the increased turnover and tight control of costs. The company made an overall profit in the year of £118,159 (2013: loss of £62,999).

### THE DIRECTORS OF THE COMPANY

The directors who served the company during the year were as follows:

S R M Tidd

M H Giblin – resigned 12.1.2015

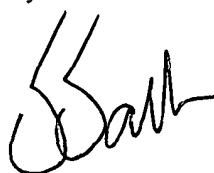
S Salter - appointed 8.1.15

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable for companies entitled to the small companies exemption.

Registered office:  
Eridge House  
1 Linden Close  
Tunbridge Wells  
TN4 8HH

By order of the board



S Salter  
Director

10 August 2015

# The Rescue Service Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2014

	Notes	2014 £	2013 £
TURNOVER		1,113,608	850,229
Administrative expenses		(956,117)	(871,254)
OPERATING PROFIT / (LOSS)	1	157,491	(21,025)
Interest receivable and similar income		109	84
		157,600	(20,941)
Interest payable and similar charges	2	(39,419)	(42,058)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		118,181	(62,999)
Taxation	3	(22)	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	9	118,159	(62,999)

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

# The Rescue Service Limited

## BALANCE SHEET

31 December 2014

Company Registration Number 6640602

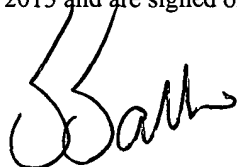
	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	4	<u>7,428</u>	<u>11,456</u>
CURRENT ASSETS			
Debtors	5	532,510	429,517
Cash at bank and in hand		<u>2,981</u>	<u>621</u>
		535,491	430,138
CREDITORS			
Amounts falling due within one year	6	<u>(2,099,333)</u>	<u>(2,116,167)</u>
NET CURRENT LIABILITIES		<u>(1,563,842)</u>	<u>(1,686,029)</u>
NET LIABILITIES		<u>(1,556,414)</u>	<u>(1,674,573)</u>
CAPITAL AND RESERVES			
Called up share capital	8	400	400
Profit and loss account	9	<u>(1,556,814)</u>	<u>(1,674,973)</u>
EQUITY SHAREHOLDERS' DEFICIT		<u>(1,556,414)</u>	<u>(1,674,573)</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of this Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 3 to 8 were approved by the directors and authorised for issue on 10 August 2015 and are signed on their behalf by:



S Salter  
Director

# The Rescue Service Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (April 2008).

### GOING CONCERN

The company meets its day to day working capital requirements through support from related companies.

The financial statements have been prepared on the going concern basis, which assumes the continuation of the above support for the foreseeable future.

Should the company be unable to meet its liabilities as they fall due, adjustments would have to be made to restate fixed assets as current assets and reduce the value of assets to their recoverable amounts and to provide for any further liabilities as they arise.

### TURNOVER

Turnover represents commissions receivable, which are based on policies processed during the period.

The turnover shown in the profit and loss account represents amounts exclusive of VAT.

### FIXED ASSETS

All fixed assets are initially recorded at cost.

### DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & fittings	-	25% straight line
Office equipment	-	25% straight line
Computer equipment	-	33% straight line

### DEFERRED TAXATION

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its 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 is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account. Included in accruals at the year end is £2,848 (2013: £4,698) payable to the scheme.

### FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

# The Rescue Service Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 December 2014

### 1 OPERATING PROFIT / (LOSS)

Operating profit / (loss) is stated after charging:

	2014	2013
	£	£
Depreciation of owned fixed assets	5,705	6,005
Operating leases – land and buildings	<u>40,805</u>	<u>40,689</u>

### 2 INTEREST PAYABLE

	2014	2013
	£	£
Bank interest payable	5	6
Interest payable to related companies	<u>39,414</u>	<u>42,052</u>
	<u>39,419</u>	<u>42,058</u>

### 3 TAXATION ON ORDINARY ACTIVITIES

	2014	2013
	£	£
Current tax		
U.K. corporation tax	<u>22</u>	<u>-</u>
	<u>22</u>	<u>-</u>

The company has tax losses of £1,413,869 (2014: £1,520,559) available to carry forward and offset against future taxable profits.

### 4 TANGIBLE FIXED ASSETS

	Computer Equipment	Fixtures & Fittings £	Office Equipment £	Total £
Cost				
At 1 January 2014	276,677	26,727	30,732	334,136
Additions	<u>1,677</u>	<u>-</u>	<u>-</u>	<u>1,677</u>
At 31 December 2014	<u>278,354</u>	<u>26,727</u>	<u>30,732</u>	<u>335,813</u>
Depreciation				
At 1 January 2014	270,551	21,685	30,444	322,680
Charge for the period	<u>3,527</u>	<u>2,049</u>	<u>129</u>	<u>5,705</u>
At 31 December 2014	<u>274,078</u>	<u>23,734</u>	<u>30,573</u>	<u>328,385</u>
Net book value				
At 31 December 2014	<u>4,276</u>	<u>2,993</u>	<u>159</u>	<u>7,428</u>
At 31 December 2013	<u>6,126</u>	<u>5,042</u>	<u>288</u>	<u>11,456</u>

# The Rescue Service Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ending 31 December 2014

### 5 DEBTORS

	2014	2013
	£	£
Trade debtors	499,998	400,683
Other debtors	32,512	28,834
	<u>532,510</u>	<u>429,517</u>

### 6 CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Bank overdraft	-	17,917
Trade creditors	76,193	63,166
Corporation tax	22	-
Other taxation and social security	16,012	18,463
Other creditors	2,007,106	2,016,621
	<u>2,099,333</u>	<u>2,116,167</u>

### 7 RELATED PARTY TRANSACTIONS

The company is engaged in an Agreement with Service Underwriting Agency Limited, a company registered in England and Wales and which falls under the definition of a related party by virtue of the companies having two common directors. The Agreement sub-contracts the responsibility for the handling of road rescue claims arising from the insurance business written by Service Insurance Company Limited and Mulsanne Insurance Company Limited.

Under the Agreement, commissions of £980,225 (2013: £804,384) were paid to the company during the year. Included in creditors at the year end is £891,568 (2013: £1,038,139) due to Service Underwriting Agency Limited in respect of funding for set up and the on-going running costs involved in building the business. This balance attracted loan interest at 2.5% over base rate. Loan interest accrued during the year to Service Underwriting Agency Limited was £28,914 (2013: £31,552). Included in debtors at the year end is £442,741 (2013: £297,354) owed by Service Underwriting Agency Limited and £1,413 (2013: £805) owed by Service Insurance Company Limited. Loan interest accrued at the year end was £189,454 (2013: £160,540). Included in trade creditors at the year end is £28,878 (2013: £23,306) owed to Service Underwriting Agency Limited. During the year the company received £55,620 (2013: £31,500) from Service Underwriting Agency Limited in respect of outsourced administration services.

The company has received working capital funding from Mayfield Equity Limited, a company related by virtue of owning 50% of the company's share capital. The balance on this loan was £350,000 (2013: £350,000) at the year end. The loan attracts interest at 2.5% over base rate. Loan interest accrued during the year was £10,500 (2013: £10,500). Loan interest accrued at the year end was £44,625 (2013: £34,125).

No further transactions were undertaken with related parties such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities.

### 8 SHARE CAPITAL

	2014	2013
	£	£
Allotted, called up and fully paid:		
Ordinary shares of £1 each	400	400
	<u>400</u>	<u>400</u>



# The Rescue Service Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ending 31 December 2014

### 9 PROFIT AND LOSS ACCOUNT

	2014	2013
	£	£
At 1 January 2014	(1,674,973)	(1,611,974)
Retained profit/(loss) for the financial year	118,159	(62,999)
At 31 December 2014	<u>(1,556,814)</u>	<u>(1,674,973)</u>

### 10 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	2014	2013
	Land and Buildings	Land and Buildings
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>35,377</u>	<u>37,727</u>

### 11 POST BALANCE SHEET EVENTS

In June 2015, following the loss of a major client the company has outsourced the entire administration of claims to Axa Assistance U.K. Limited. Related party companies, Service Insurance Company Limited and Service Underwriting Agency Limited continue to support the company.

# ACCOUNTANTS REPORT TO THE BOARD OF DIRECTORS OF THE RESCUE SERVICE LIMITED ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of The Rescue Service Limited which comprise the Profit and Loss Account, Balance Sheet, principal Accounting Policies and the related notes as set out on pages 3 to 8 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the directors of The Rescue Service Limited as a body, in accordance with the terms of our engagement letter dated 17 April 2012. Our work has been undertaken solely to prepare for your approval the financial statements of The Rescue Service Limited and state those matters that we have agreed to state to them in accordance with AAF 2/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against Baker Tilly Tax and Accounting Limited for any purpose or in any context. Any party other than the directors which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, Baker Tilly Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

It is your duty to ensure that The Rescue Service Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of The Rescue Service Limited under the Companies Act 2006. You consider that The Rescue Service Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of The Rescue Service Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

*Baker Tilly Tax and Accounting Limited*

BAKER TILLY TAX AND ACCOUNTING LIMITED  
Chartered Accountants  
Hanover House  
18 Mount Ephraim Road  
Tunbridge Wells  
Kent TN1 1ED

13 August 2015