

REGISTERED NUMBER: 08197723 (England and Wales)

GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
DRIVE FURTHER LIMITED
PREVIOUSLY KNOWN AS
ARETE COMMERCIAL HOLDINGS LIMITED

TUESDAY



A671G5T7

A26

23/05/2017

#446

COMPANIES HOUSE

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Page
Company Information	1
Group Strategic Report	2 to 4
Report of the Director	5 to 6
Report of the Independent Auditors	7 to 8
Consolidated Statement of Comprehensive Income	9
Consolidated Balance Sheet	10
Company Balance Sheet	11
Consolidated Statement of Changes in Equity	12
Company Statement of Changes in Equity	13
Consolidated Cash Flow Statement	14
Notes to the Consolidated Cash Flow Statement	15
Notes to the Consolidated Financial Statements	16 to 34

DRIVE FURTHER LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTOR:	N D Garner
SECRETARY:	S A Garner
REGISTERED OFFICE:	No 1 Lakeside Cheadle Royal Business Park Cheadle Cheshire SK8 3GW
REGISTERED NUMBER:	08197723 (England and Wales)
AUDITORS:	Allens Accountants Limited Registered Auditors and Chartered Accountants 123 Wellington Road South Stockport Cheshire SK1 3TH
BANKERS:	Barclays Bank plc 1st Floor 3 Hardman Street Spinningfields Manchester M3 3HF

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The director presents his strategic report of the company and the group for the year ended 31 December 2016.

REVIEW OF BUSINESS

The continuing operations of the consolidated income statement saw an increase in turnover of 19.5% to £8.7m (2015: 7.3m). Administrative expenses increased by 12.2% to £8.3m (2015: £7.4m), which includes £287k (2015: £287k) of goodwill amortisation. As a result, the profit before tax of the continuing operations has increased by £478k to £247k (2015: Loss £231k).

The consolidated balance sheet shareholders' funds have increased by 12.5% to £1.4m (2014: £1.2m)

Turning to the consolidated cash flow statement, the group generated £0.5m cash from operations during the year (2015: £1m).

Staffing levels within the continuing group are continually reviewed to ensure maximum efficiency whilst maintaining high levels of customer service and the average staff numbers were increased to 87 (2015: 81).

The group continues to focus on key areas of income generation and cost control throughout the 2017 financial year and is achieving continued growth.

Finally, we would like to thank our customers and employees for their ongoing support of the business and their contribution towards our success.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

PRINCIPAL RISKS AND UNCERTAINTIES

Reserving risk

The group adopts a vigilant approach to reserving, ensuring that any assumptions are sufficiently robust to meet its liabilities. The reserving policy is designed to reduce volatility, with any material changes to reserving policy being subject to board approval.

Credit risk

The risks considered are that a bank defaults on amounts held for or due to the group. The group's exposure to credit risk has been assessed in the context of the credit worthiness of the relevant counterparties and is controlled and managed accordingly.

Liquidity risk

Liquidity is not a significant risk to the group. However, due to organic growth the cash flow forecasts show a requirement for additional funding during 2017, which will be arranged externally.

Future risk

In February 2017, the Ministry of Justice published its response to the 'Reforming the soft tissue injury ('whiplash') claims process' consultation. The response provides further detail on the package of measures which are designed to disincentivise minor, exaggerated and fraudulent road traffic accident (RTA) related whiplash claims by:

1. The introduction of a tariff of fixed compensation for pain, suffering and loss of amenity for claims with an injury duration of between 0 and 24 months;
2. Providing the judiciary with the facility to both decrease the amount awarded under the tariff in cases where there may be contributory negligence or to increase the award (with increases capped at no more than 20%) in exceptional circumstances;
3. Introducing a ban on both the offering, payment and requesting of offers to settle claims without medical evidence;
4. Increasing the small claims limit for RTA related personal injury claims to £5,000; and
5. Increasing the small claims limit for all other types of personal injury claim to £2,000.

Items 1 to 3 above will be introduced through provisions in the Prisons and Courts Bill which is currently going through the parliamentary process. Items 4 and 5 will be introduced through secondary legislative procedures, and it is the Government's intention to implement these reforms as a package once the Prisons and Courts Bill has completed its Parliamentary passage.

The government expected the reforms to be implemented in full on 1 October 2018 but now that the Prison and Courts Bill is on hold it is likely that any such changes will be delayed.

The changes will have a significant and material effect in relation to the group's RTA business. The group has been aware of and recognised, for some considerable time, this emerging risk and consequently, in line with its strategic direction, the reliance on RTA business had reduced significantly and will continue to do so in 2017.

The effect of the changes in relation to non RTA business is not considered to be significant.

The group fully anticipates that as a consequence of any changes that it will be able to produce new products and models within parameters to ensure that access to justice for customers is protected.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

Brexit risk

Following the Brexit referendum on 23 June 2016, the government on 29 March 2017 triggered Article 50 signalling that the UK will leave the EU by 29 March 2019 at the earliest. How the UK will implement the change and what will remain the same, is uncertain. The group is monitoring developments on how the exit of the UK evolves and the likely areas of impact are:

1. Employment mobility
2. Other countries leaving the UK
3. Legislation and Regulation

In respect of the future risks and uncertainties the group will continue to pursue its strategic aims, develop appropriate products and models for the future and will maintain a watching brief and monitor the passage of the Prison and Courts Bill (if the Bill is revived following the election of a new government) through parliament, with a view to developing those new products and alternative models at the appropriate time. The group will also be undertaking a review of its Brexit risks and put in place any mitigating plans as appropriate.

FINANCIAL KEY PERFORMANCE INDICATORS

The group Income increased for the year by 19.5% to £8.7m (2015: £7.3m).

The profit for the period after taxation but before dividends was £151k (2015 loss: £322k).

The shareholders' funds of the group were £1.4m at 31 December 2016 (2015: £1.2m).

The decrease in cash for the year was £0.8m (2015: £0.3m decrease).

OTHER KEY PERFORMANCE INDICATORS

There were 560 vehicles on fleet at 31 December 2016 (2015: 487).

FUTURE DEVELOPMENTS & GOING CONCERN

The financial statements for the group are prepared on a going concern basis in accordance with UK Generally Accepted Accounting Standards.

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The directors have reached this conclusion giving due consideration to the projected future performance of the group and any potential risk that might impact the group's ability to meet its required solvency levels. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Future developments are detailed above within the 'Future risk' category of 'Principal risks and uncertainties' faced by the group.

ON BEHALF OF THE BOARD:



N D Garner - Director

Date: 26/4/17

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2016

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2016.

CHANGE OF NAME

The group passed a special resolution on 13 February 2017 changing its name from Arete Commercial Holdings Limited to Drive Further Limited.

PRINCIPAL ACTIVITIES

The principal activity of the group is claims handling, including first notification of loss, personal injury, medical reporting, rehabilitation, credit hire, credit repair and uninsured loss recovery. The group also provides vehicle solutions for driving instructors and employment law solutions for small and medium sized enterprises.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2016 will be £Nil (2015: £1,562,462). The director does not recommend the payment of a final dividend.

DIRECTOR

N D Garner held office during the whole of the period from 1 January 2016 to the date of this report.

POST BALANCE SHEET EVENTS

There are no matters to report as post balance sheet events.

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the group's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial risk management.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2016

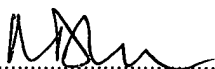
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he 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 group's auditors are aware of that information.

AUDITORS

During the year, Hurst & Company Accountants LLP resigned as auditor to the company and group and Allens Accountants Limited were appointed. Allens Accountants Limited will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
N D Garner - Director

Date: 26/4/17

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DRIVE FURTHER LIMITED

We have audited the financial statements of Drive Further Limited for the year ended 31 December 2016 on pages nine to thirty four. 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), including Financial Reporting Standard 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 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page five, the director is 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the group Strategic Report and the Report of the Director 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 group's and of the parent company's affairs as at 31 December 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matter

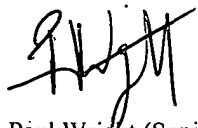
The financial statements of Drive Further Limited for the year ended 31 December 2015 were audited by Hurst & Company Accountants LLP who expressed an unmodified opinion on those statements on 23 September 2016.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DRIVE FURTHER LIMITED

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Paul Wright (Senior Statutory Auditor)
for and on behalf of Allens Accountants Limited
Registered Auditors and
Chartered Accountants
123 Wellington Road South
Stockport
Cheshire
SK1 3TH

Date: 26 APRIL 2017

DRIVE FURTHER LIMITED (REGISTERED NUMBER: 08197723)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	31/12/16 Continuing £	31/12/16 Discontinued £	31/12/16 Total £	31/12/15 Continuing £	31/12/15 Discontinued £	31/12/15 Total £
TURNOVER	3	8,744,120	-	8,744,120	7,319,308	3,460,434	10,779,742
Administrative expenses		(8,321,904)	-	(8,321,904)	(7,418,634)	(3,358,186)	(10,776,820)
		422,216	-	422,216	(99,326)	102,248	2,922
Other operating income		-	-	-	-	167,552	167,552
OPERATING PROFIT/(LOSS)	5	422,216	-	422,216	(99,326)	269,800	170,474
Loss on investment disposal	6	-	-	-	-	(1,261,375)	(1,261,375)
Loss on disposal of goodwill	6	-	-	-	-	(586,238)	(586,238)
		422,216	-	422,216	(99,326)	(1,577,813)	(1,677,139)
Interest receivable and similar income	7	156	-	156	1,071	10,456	11,527
Interest payable and similar charges	8	(175,550)	-	(175,550)	(133,111)	-	(133,111)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		246,822	-	246,822	(231,366)	(1,567,357)	(1,798,723)
Tax on profit/(loss) on ordinary activities	9	(95,959)	-	(95,959)	(90,989)	(66,419)	(157,408)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>150,863</u>	-	150,863	<u>(322,355)</u>	<u>(1,663,776)</u>	(1,956,131)
OTHER COMPREHENSIVE INCOME				-			-
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR				<u>150,863</u>			<u>(1,956,131)</u>
Profit/(loss) attributable to: Owners of the parent				<u>150,863</u>			<u>(1,956,131)</u>
Total comprehensive income/(loss) attributable to: Owners of the parent				<u>150,863</u>			<u>(1,956,131)</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2016

	Notes	31/12/16		31/12/15	
		£	£	£	£
FIXED ASSETS					
Intangible assets	13		263,303		550,543
Tangible assets	14		<u>3,793,505</u>		<u>3,559,038</u>
			4,056,808		4,109,581
CURRENT ASSETS					
Debtors	16	4,425,191		3,300,628	
Cash at bank and in hand		<u>-</u>		<u>674,807</u>	
		4,425,191		3,975,435	
CREDITORS					
Amounts falling due within one year	17	<u>4,928,459</u>		<u>5,001,674</u>	
NET CURRENT LIABILITIES			<u>(503,268)</u>		<u>(1,026,239)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,553,540		3,083,342
CREDITORS					
Amounts falling due after more than one year	18		(1,278,769)		(1,182,659)
PROVISIONS FOR LIABILITIES	23		<u>(912,881)</u>		<u>(689,656)</u>
NET ASSETS			<u>1,361,890</u>		<u>1,211,027</u>
CAPITAL AND RESERVES					
Called up share capital	24		900		900
Share premium	25		100,000		100,000
Capital redemption reserve	25		100		100
Retained earnings	25		<u>1,260,890</u>		<u>1,110,027</u>
SHAREHOLDERS' FUNDS			<u>1,361,890</u>		<u>1,211,027</u>

The financial statements were approved by the director on26/4/17..... and were signed by:



.....
N D Garner - Director

COMPANY BALANCE SHEET
31 DECEMBER 2016

	Notes	31/12/16 £	31/12/15 £
FIXED ASSETS			
Investments	15	<u>6,020,535</u>	<u>6,020,535</u>
		6,020,535	6,020,535
CURRENT ASSETS			
Cash in hand		-	800
CREDITORS			
Amounts falling due within one year	17	<u>2,061,233</u>	<u>2,373,318</u>
NET CURRENT LIABILITIES		<u>(2,061,233)</u>	<u>(2,372,518)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>3,959,302</u></u>	<u><u>3,648,017</u></u>
CAPITAL AND RESERVES			
Called up share capital	24	900	900
Share premium	25	100,000	100,000
Capital redemption reserve	25	100	100
Retained earnings	25	<u>3,858,302</u>	<u>3,547,017</u>
SHAREHOLDERS' FUNDS		<u><u>3,959,302</u></u>	<u><u>3,648,017</u></u>
Company's profit/(loss) for the financial year		<u><u>311,285</u></u>	<u><u>(6,616,119)</u></u>

The financial statements were approved by the director on 26/4/17 and were signed by:


.....
N D Garner - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2015	950	2,862,820	2,487,800	50	5,351,620
Changes in equity					
Dividends	-	(1,562,462)	-	-	(1,562,462)
Total comprehensive loss	-	(1,956,131)	-	-	(1,956,131)
Purchase of own shares	(50)	(622,000)	-	50	(622,000)
Capital reduction	-	2,387,800	(2,387,800)	-	-
Balance at 31 December 2015	<u>900</u>	<u>1,110,027</u>	<u>100,000</u>	<u>100</u>	<u>1,211,027</u>
Changes in equity					
Total comprehensive income	-	150,863	-	-	150,863
Balance at 31 December 2016	<u>900</u>	<u>1,260,890</u>	<u>100,000</u>	<u>100</u>	<u>1,361,890</u>

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2015	950	9,959,798	2,487,800	50	12,448,598
Changes in equity					
Dividends	-	(1,562,462)	-	-	(1,562,462)
Total comprehensive income	-	(6,616,119)	-	-	(6,616,119)
Purchase of own shares	(50)	(622,000)	-	50	(622,000)
Capital reduction	-	2,387,800	(2,387,800)	-	-
Balance at 31 December 2015	<u>900</u>	<u>3,547,017</u>	<u>100,000</u>	<u>100</u>	<u>3,648,017</u>
Changes in equity					
Total comprehensive income	-	311,285	-	-	311,285
Balance at 31 December 2016	<u>900</u>	<u>3,858,302</u>	<u>100,000</u>	<u>100</u>	<u>3,959,302</u>

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	31/12/16 £	31/12/15 £
Cash flows from operating activities			
Cash generated from operations	1	506,557	983,835
Interest paid		(3,541)	(38,843)
Interest element of hire purchase payments paid		(81,484)	(94,268)
Tax paid		<u>(92,965)</u>	<u>(300,281)</u>
Net cash from operating activities		<u>328,567</u>	<u>550,443</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(22,888)	(63,033)
Sale of tangible fixed assets		757,297	1,155,446
Cash and cash equivalents held by subsidiary on disposal		-	(2,683,651)
Interest received		<u>156</u>	<u>11,527</u>
Net cash from investing activities		<u>734,565</u>	<u>(1,579,711)</u>
 Cash flows from financing activities			
Related party loan received		-	960,000
Capital repayments in year		(1,923,558)	(1,966,952)
Amount introduced by directors		59,950	-
Amount withdrawn by directors		-	(5,728)
Share buyback		-	(622,000)
Equity dividends paid		<u>-</u>	<u>(82,462)</u>
Net cash from financing activities		<u>(1,863,608)</u>	<u>(1,717,142)</u>
 Decrease in cash and cash equivalents		<u>(800,476)</u>	<u>(2,746,410)</u>
Cash and cash equivalents at beginning of year	2	<u>674,807</u>	<u>3,421,217</u>
 Cash and cash equivalents at end of year	2	<u><u>(125,669)</u></u>	<u><u>674,807</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31/12/16	31/12/15
	£	£
Profit/(loss) before taxation	246,822	(1,798,723)
Depreciation charges	863,028	902,997
Profit on disposal of fixed assets	(43,512)	(79,938)
Amortisation charge	287,240	593,103
Loss on disposal of subsidiary	-	1,261,375
Loss on disposal of goodwill	-	586,238
Finance costs	175,550	133,111
Finance income	(156)	(11,527)
	<u>1,528,972</u>	<u>1,586,636</u>
Increase in trade and other debtors	(1,124,563)	(2,892,512)
Increase in trade and other creditors	<u>102,148</u>	<u>2,289,711</u>
Cash generated from operations	<u>506,557</u>	<u>983,835</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2016

	31/12/16	1/1/16
	£	£
Cash and cash equivalents	-	674,807
Bank overdrafts	<u>(125,669)</u>	<u>-</u>
	<u>(125,669)</u>	<u>674,807</u>

Year ended 31 December 2015

	31/12/15	1/1/15
	£	£
Cash and cash equivalents	674,807	949,764
Current asset investments	-	2,471,453
	<u>674,807</u>	<u>3,421,217</u>

3. DISPOSAL OF BUSINESS

In 2015, the group transferred the subsidiary Financial & Legal Insurance Company Limited to the group's shareholders by way of dividend in specie, for the historic book value of £1,480,000.

The net assets of the subsidiary at the date of disposal amounted to £2,741,375.

4. MAJOR NON-CASH TRANSACTIONS

During the period the group entered into hire purchase arrangements in respect of assets totalling £1,788,392 (2015: £1,193,941).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. STATUTORY INFORMATION

Drive Further Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings made up to 31 December 2016.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated balance sheet immediately below goodwill.

All inter-group transactions, balances, income and expenses are eliminated in full on consolidation.

During 2015 the group disposed of the subsidiary Financial & Legal Insurance Company Limited. Accordingly, the group statement of income and the statement of cash flows include the results of this subsidiary up to the date of disposal.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses for the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Claims

The group uses variety of techniques, both statistical and actuarial, to assess the likely run off of the policies on risk. Monthly management statistics include average claim costs, loss ratios and expected contribution to profit and expenses as well as a number of other parameters.

Unearned premiums on insurance contracts

As unearned premium provisions are based on actual policies not settled at that date, there is no estimation uncertainty surrounding this.

Bad and doubtful debts

A key area involving management judgement and estimate is in determining the provision for bad and doubtful debts for medical, rehabilitation and completed hire debts due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES - continued

Income recognition

Turnover is measured at fair value of the consideration receivable and represents the total amount receivable for services provided in the normal course of business, excluding Value Added Tax and trade discounts.

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract.

Basis of accounting for underwriting activities

All business is accounted for on an annual basis.

Gross written premiums

(i) Before the Event (BTE)

In accordance with accounting standards, BTE written premiums are accounted for net of surcharge commissions, and comprise the premiums on contracts entered into in the financial year under review, regardless of whether such amounts may relate in whole or in part to a later financial year.

(ii) After the Event (ATE)

Gross written premiums comprise the premiums on contracts incepting in the financial year. Written premiums are stated gross of commissions payable to intermediaries and reinsurance, but exclusive of taxes and duties levied on premiums.

Unearned premiums

(i) Before the event

The provision for unearned premiums comprises the amount representing that part of gross premiums written or paid which it is estimated that relate to the following or subsequent financial years. The provision is computed using the 1/24ths method.

(ii) After The Event

The premiums (including reinsurer's share) are wholly unearned until settlement of the case and are held on the balance sheet within "Provision for unearned premiums".

Other technical income

Other technical income comprises other income attributable to insurance operations.

Interest income

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

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and written off on a straight line basis over its estimated useful life of 5 years. Provision is made for any impairment.

Following the disposal in 2015 of the subsidiary Financial & Legal Insurance Company Limited, all goodwill attributable to this business unit has been fully amortised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant & machinery	- 33% on cost and 25% on reducing balance
Fixtures & fittings	- 33% on cost, 20% on cost and 10% on reducing balance
Motor vehicles	- 20% to 30% reducing balance
Computer hardware & software	- 33% on cost and 20% on cost

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

At each reporting date, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Debtors

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, together with loans to and from related parties.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES - continued

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

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

Creditors

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

Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of comprehensive income over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax charge.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in the statement of income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Claims

Claims consist of claims paid to policyholders, changes in the valuation of liabilities arising on policyholder contracts, net of subrogation recoveries.

Provision is made for outstanding claims and settlement expenses incurred at the balance sheet date including an estimate for the cost of claims incurred but not reported (IBNR) at that date. Included in the provision is an estimate of the internal and external costs of handling the claims. Reinsurance recoveries are presented as assets. The methods used and estimates made are continually reviewed and any resulting adjustments are reported in the statement of income in the year in which claims are settled or re-appraised.

Although provisions for claims are based upon the information currently available, subsequent information and events may show the ultimate liability to be greater, or less, than the amount provided. The methods used and estimates made are continually reviewed and any resulting adjustments will be reported in the year of settlement or re-appraisal.

Commissions

Commission costs comprise all direct commission costs from the settlement and payment of insurance contracts. Deferred commission costs represent the proportion of these costs with the proportion of written premiums which are unearned at the balance sheet date and are therefore not yet due for payment

Dividends

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

3. TURNOVER

The turnover and profit (2015 - loss) before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	31/12/16	31/12/15
	£	£
Insurance activities	-	3,460,434
Vehicle hire and leasing	4,073,561	3,451,057
Claims handling	4,276,262	3,664,569
Employment law solutions	394,297	203,682
	<u>8,744,120</u>	<u>10,779,742</u>

Turnover is from fully within the United Kingdom and is wholly attributable to the rendering of services.

4. STAFF COSTS

	Year Ended 31/12/16	Year Ended 31/12/15
	£	£
Wages and salaries	2,162,359	2,661,909
Social security costs	201,334	246,060
Other pension costs	166,520	229,665
	<u>2,530,213</u>	<u>3,137,634</u>

The average monthly number of employees during the period was as follows:

Office and administration	60	77
Sales and marketing	24	24
Drivers	<u>3</u>	<u>3</u>
	<u>87</u>	<u>104</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Year Ended 31/12/16	Year Ended 31/12/15
	£	£
Hire of plant and machinery	4,028	3,828
Depreciation - owned assets	121,019	116,659
Depreciation - assets on hire purchase contracts	742,009	786,338
(Profit)/loss on disposal of fixed assets	(43,512)	(79,938)
Goodwill amortisation	287,240	593,103
Auditors' remuneration:		
- Subsidiaries	29,816	50,227
- Audit of the parent company and the consolidated accounts	3,500	5,000
Auditors' remuneration for non-audit work:		
- Subsidiaries	4,767	2,817
Operating lease rentals	<u>392,845</u>	<u>329,733</u>
 Directors' remuneration	 50,048	 58,043
Directors' pension contributions to money purchase schemes	<u>51,240</u>	<u>87,810</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

Auditors' remuneration:

	Year Ended 31/12/16	Year Ended 31/12/15
	£	£
Audit Services: Subsidiaries - Principal auditor	29,816	18,300
Subsidiaries - Secondary auditors	-	34,733
Parent company - Principal auditor	<u>3,500</u>	<u>5,000</u>
	<u>33,316</u>	<u>58,033</u>
 Other services pursuant to legislation: Principal auditor	 -	 7,020
Secondary auditors	<u>-</u>	<u>-</u>
	<u>7,020</u>	<u>7,020</u>
 Taxation compliance services: Principal auditor	 2,000	 720
Secondary auditors	<u>-</u>	<u>-</u>
	<u>2,000</u>	<u>600</u>
 Other services: Principal auditor	 2,767	 3,000
Secondary auditors	<u>-</u>	<u>2,817</u>
	<u>2,767</u>	<u>5,817</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

6. EXCEPTIONAL ITEMS

Group

On 22 December 2015 the group, by way of dividend in specie, transferred the subsidiary Financial & Legal Insurance Company Limited to the shareholders of the group at historic book value. This resulted in a loss on disposal of the investment for the group of £1,261,375.

The loss on the disposal of goodwill attributable to this subsidiary amounted to £586,238.

Company

During the year, a group reorganisation was undertaken in order to streamline the group structure for operational reasons. The shareholdings in MSL Legal Expenses Ltd and MSL Vehicle Solutions Limited were transferred to Drive Further Limited by MSL Business Group Limited. Following this reorganisation, an impairment review was undertaken, resulting in a write down of £3,457,000 to leave investments carried forward at £6,202,535.

Following the disposal in 2015 of the subsidiary Financial & Legal Insurance Company Limited, the company undertook an impairment review of its investments, which ultimately resulted in a write down in 2015 of £6,530,665.

During 2015, the company wrote off a group loan of £2,694,414 due from MSL Business Group Limited as it was irrecoverable.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	31/12/16	31/12/15
	£	£
Corporation tax interest	156	1,071
FLI investment income	-	10,456
	<u>156</u>	<u>11,527</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	31/12/16	31/12/15
	£	£
Bank interest	3,540	-
Other loan interest	90,526	38,800
Corporation tax interest	-	43
Hire purchase interest	<u>81,484</u>	<u>94,268</u>
	<u>175,550</u>	<u>133,111</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31/12/16 £	31/12/15 £
Current tax:		
UK corporation tax	138,159	196,999
Adjustment in respect of prior years	<u>(16,679)</u>	<u>(425)</u>
Total current tax	121,480	196,574
Deferred tax	<u>(25,521)</u>	<u>(39,166)</u>
Tax on profit/(loss)	<u>95,959</u>	<u>157,408</u>

Reconciliation of total tax charge included in profit and loss

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

	31/12/16 £	31/12/15 £
Profit/(loss) before tax	<u>246,822</u>	<u>(1,798,723)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	49,364	(359,745)
Effects of:		
Expenses not deductible for tax purposes	63,274	500,840
Capital allowances in excess of depreciation	-	(2,426)
Utilisation of tax losses	-	16,857
Adjustments to tax charge in respect of previous periods	(16,679)	(425)
Change in Corporation Tax rate	-	2,487
Marginal relief claimed	<u>-</u>	<u>(180)</u>
Total tax charge	<u>95,959</u>	<u>157,408</u>

Factors that may affect future tax charges

Following Budget 2017 announcements, there will be a reduction in the rate of corporation tax for future years, resulting in the following rates applying:

19% from 1 April 2017
17% from 1 April 2020

10. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

11. DIVIDENDS

	31/12/16	31/12/15
	£	£
Ordinary 'B' shares of £0.01 each		
Interim	-	148,000
Ordinary 'C' shares of £0.01 each		
Interim	<u>-</u>	<u>1,414,462</u>
	<u>-</u>	<u>1,562,462</u>

During 2015, the subsidiary Financial & Legal Insurance Company Limited was transferred to the group's shareholders by way of dividend in specie at its historic cost of £1,480,000.

12. PENSION COMMITMENTS

The group operates a defined contributions scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. During the year, the group contributed £166,520 (2015: £229,665) to the fund.

13. INTANGIBLE FIXED ASSETS

Group	Goodwill
	£
COST	
At 1 January 2016	
and 31 December 2016	<u>1,436,200</u>
AMORTISATION	
At 1 January 2016	885,657
Amortisation for year	<u>287,240</u>
At 31 December 2016	<u>1,172,897</u>
NET BOOK VALUE	
At 31 December 2016	<u>263,303</u>
At 31 December 2015	<u>550,543</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

14. TANGIBLE FIXED ASSETS

Group

	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Computer hardware & software £	Totals £
COST					
At 1 January 2016	10,099	99,602	4,655,979	71,090	4,836,770
Additions	-	22,888	1,788,392	-	1,811,280
Disposals	-	(35,691)	(1,286,733)	-	(1,322,424)
At 31 December 2016	<u>10,099</u>	<u>86,799</u>	<u>5,157,638</u>	<u>71,090</u>	<u>5,325,626</u>
DEPRECIATION					
At 1 January 2016	6,131	56,373	1,187,718	27,510	1,277,732
Charge for year	1,025	8,635	839,150	14,218	863,028
Eliminated on disposal	-	(35,691)	(572,948)	-	(608,639)
At 31 December 2016	<u>7,156</u>	<u>29,317</u>	<u>1,453,920</u>	<u>41,728</u>	<u>1,532,121</u>
NET BOOK VALUE					
At 31 December 2016	<u>2,943</u>	<u>57,482</u>	<u>3,703,718</u>	<u>29,362</u>	<u>3,793,505</u>
At 31 December 2015	<u>3,968</u>	<u>43,229</u>	<u>3,468,261</u>	<u>43,580</u>	<u>3,559,038</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £	Computer hardware & software £	Totals £
COST			
At 1 January 2016	4,340,838	64,915	4,405,753
Additions	1,481,510	-	1,481,510
Disposals	(1,073,187)	-	(1,073,187)
Transfer to ownership	(421,806)	-	(421,806)
At 31 December 2016	<u>4,327,355</u>	<u>64,915</u>	<u>4,392,270</u>
DEPRECIATION			
At 1 January 2016	1,043,280	25,966	1,069,246
Charge for year	729,026	12,983	742,009
Eliminated on disposal	(443,962)	-	(443,962)
Transfer to ownership	(154,722)	-	(154,722)
At 31 December 2016	<u>1,173,622</u>	<u>38,949</u>	<u>1,212,571</u>
NET BOOK VALUE			
At 31 December 2016	<u>3,153,733</u>	<u>25,966</u>	<u>3,179,699</u>
At 31 December 2015	<u>3,297,558</u>	<u>38,949</u>	<u>3,336,507</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

15. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2016	12,551,200
Additions	<u>3,457,000</u>
At 31 December 2016	<u>16,008,200</u>
PROVISIONS	
At 1 January 2016	6,530,665
Impairments	<u>3,457,000</u>
At 31 December 2016	<u>9,987,665</u>
NET BOOK VALUE	
At 31 December 2016	<u><u>6,020,535</u></u>
At 31 December 2015	<u><u>6,020,535</u></u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

The Shareholding Company Limited

Registered office:

Nature of business: Holding company

	%		
Class of shares:	holding		
Ordinary	100.00	31/12/16	31/12/15
		£	£
Aggregate capital and reserves		-	311,287
Profit for the year		<u>-</u>	<u>1,078,962</u>

The company was voluntarily dissolved on 13 September 2016.

MSL Business Group Limited

Registered office:

Nature of business: Holding company

	%		
Class of shares:	holding		
Ordinary	100.00	31/12/16	31/12/15
		£	£
Aggregate capital and reserves		-	2,984,950
Profit for the year		<u>-</u>	<u>3,194,414</u>

The company was voluntarily dissolved on 13 September 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

15. FIXED ASSET INVESTMENTS - continued

MSL Vehicle Solutions Limited

Registered office:

Nature of business: Vehicle hire

	%		
Class of shares:	holding		
Ordinary	100.00		
		31/12/16	31/12/15
		£	£
Aggregate capital and reserves		2,219,006	1,970,251
Profit for the year		<u>248,755</u>	<u>262,526</u>

Direct holding - investment previously held by MSL Business Group Limited.

MSL Legal Expenses Limited

Registered office:

Nature of business: Motorist legal services

	%		
Class of shares:	holding		
Ordinary	100.00		
		31/12/16	31/12/15
		£	£
Aggregate capital and reserves		1,160,423	974,705
Profit for the year		<u>185,718</u>	<u>88,786</u>

Direct holding - investment previously held by MSL Business Group Limited.

Opsium Limited

Registered office:

Nature of business: HR and employment services

	%		
Class of shares:	holding		
Ordinary	100.00		
		31/12/16	31/12/15
		£	£
Aggregate capital and reserves		(219,611)	(223,240)
Profit/(loss) for the year		<u>3,629</u>	<u>(115,214)</u>

Direct holding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

15. FIXED ASSET INVESTMENTS - continued

The results of all subsidiary companies are included within these consolidated accounts.

Disposal of subsidiary

On 22 December 2015, the group transferred full control of the subsidiary Financial & Legal Insurance Company Limited to the group's shareholders. The disposal is analysed as follows:

	£
Net assets disposed of:	
Tangible fixed assets	7,863
Current asset investments	1,752,186
Debtors	16,607,103
Cash at bank	931,465
Creditors	(15,455,822)
Provisions	<u>(1,101,420)</u>
	2,741,375
Goodwill	586,238
Loss on disposal (including Goodwill)	<u>(1,847,613)</u>
	<u>1,480,000</u>
Satisfied by:	
Dividend in specie	<u>1,480,000</u>

In 2015, the loss attributable to members of the parent company includes losses of £1,633,776 attributable to Financial & Legal Insurance Company Limited up to its date of disposal.

16. DEBTORS

	Group	
	31/12/16	31/12/15
	£	£
Amounts falling due within one year:		
Trade debtors	4,030,361	2,982,561
Other debtors	13,142	19,661
Prepayments and accrued income	<u>381,688</u>	<u>298,406</u>
	<u>4,425,191</u>	<u>3,300,628</u>

Movements on provisions for doubtful debts resulted in a charge of £448,974 (2015: £216,308) to the statement of income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31/12/16	31/12/15	31/12/16	31/12/15
	£	£	£	£
Bank loans and overdrafts (see note 19)	125,669	-	-	-
Hire purchase contracts (see note 20)	1,061,209	1,292,485	-	-
Trade creditors	1,188,827	1,304,352	-	-
Amounts owed to group undertakings	-	-	2,008,629	2,319,916
Corporation Tax	64,930	36,415	-	-
Social security and other taxes	59,301	56,701	-	-
VAT	96,091	215,909	-	-
Other creditors	994,307	976,717	-	-
Directors' current accounts	108,684	58,734	52,604	53,402
Accruals and deferred income	<u>1,229,441</u>	<u>1,060,361</u>	<u>-</u>	<u>-</u>
	<u>4,928,459</u>	<u>5,001,674</u>	<u>2,061,233</u>	<u>2,373,318</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	31/12/16	31/12/15
	£	£
Hire purchase contracts (see note 20)	<u>1,278,769</u>	<u>1,182,659</u>

19. LOANS

An analysis of the maturity of loans is given below:

	Group	
	31/12/16	31/12/15
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>125,669</u>	<u>-</u>

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group		Hire purchase contracts	
		31/12/16	31/12/15
		£	£
Net obligations repayable:			
Within one year		1,061,209	1,292,485
Between one and five years		<u>1,278,769</u>	<u>1,182,659</u>
		<u>2,339,978</u>	<u>2,475,144</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

20. LEASING AGREEMENTS - continued

Group

	Non-cancellable operating leases	
	31/12/16	31/12/15
	£	£
Within one year	-	88,034
Between one and five years	<u>947,244</u>	<u>1,097,924</u>
	<u><u>947,244</u></u>	<u><u>1,185,958</u></u>

21. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	31/12/16	31/12/15
	£	£
Bank overdraft	125,669	-
Hire purchase contracts	<u>2,339,978</u>	<u>2,475,144</u>
	<u><u>2,465,647</u></u>	<u><u>2,475,144</u></u>

The bank overdraft is secured by a cross guarantee and debenture given by Drive Further Limited and all subsidiaries.

Hire purchase contracts are secured against the specific assets to which they relate.

22. FINANCIAL INSTRUMENTS

Group	2016	2015
	£	£
Financial assets		
Financial assets measured at amortised cost	<u>4,043,503</u>	<u>3,002,222</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>4,523,112</u>	<u>4,756,213</u>

Financial assets measured at amortised cost comprise trade debtors, debtors arising out of direct insurance and other sundry debtors of a contractual nature.

Financial liabilities measured at amortised cost comprise hire purchase liabilities, trade creditors, creditors arising out of direct insurance operations and other sundry creditors of a contractual nature.

Company	2015	2014
	£	£
Financial liabilities		
Financial liabilities measured at amortised cost	<u>2,008,629</u>	<u>2,319,916</u>

Financial liabilities measured at amortised cost comprise group loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

23. PROVISIONS FOR LIABILITIES

	Group	
	31/12/16	31/12/15
	£	£
Deferred tax		
Accelerated capital allowances	<u>60,688</u>	<u>86,209</u>
Other provisions		
Insurance claims reserve	<u>852,193</u>	<u>603,447</u>
Aggregate amounts	<u>912,881</u>	<u>689,656</u>
Group		
	Deferred	Other
	tax	provisions
	£	£
Balance at 1 January 2016	86,209	603,447
Provided during year	-	248,746
Credit to Statement of Comprehensive Income during year	<u>(25,521)</u>	<u>-</u>
Balance at 31 December 2016	<u>60,688</u>	<u>852,193</u>

Please see note 2 for details given in respect of the accounting basis for other provisions.

24. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31/12/16	31/12/15
			£	£
10,000	Ordinary 'B'	£0.01	100	100
5,000	Ordinary 'C'	£0.01	50	800
75,000	Ordinary 'C1'	£0.01	<u>750</u>	<u>-</u>
			<u>900</u>	<u>900</u>

On 18 April 2016, 75,000 Ordinary 'C' shares of £0.01 were reclassified as Ordinary 'C1' shares of £0.01.

The shares carry differential rights to dividends, but in all other respects rank pari passu.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

25. RESERVES

Retained earnings - includes all current and prior period retained profit and losses.

Share premium account - this reserve includes any premiums received on issue of share capital. Any transactions costs associated with the issuing of shares are deducted from share premium.

Capital redemption reserve - this reserve includes the nominal value of share capital re-purchased by the company and subsequently cancelled.

26. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of FRS 102, not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year, total dividends of £Nil (2015: £82,462) were paid to the director N D Garner.

Total key management compensation, including social security and pension contributions, was £656,086.

Transactions with related parties to the group are as follows:

	31/12/16	31/12/15
	£	£
Transactions		
Loan interest & fees (1)	90,526	38,800
Balances		
Loan due to director	108,684	58,734
Loan - within Other creditors (1)	<u>960,000</u>	<u>960,000</u>

(1) Spouse of the director and shareholder. The loan is repayable on demand and carries a fixed interest rate of 10.5%.

The loan due to the director is interest free and repayable on demand.

Transactions with related parties to the company are as follows:

	31/12/16	31/12/15
	£	£
Balances		
Loan due to director	<u>52,604</u>	<u>53,402</u>

The loan due to the director is interest free and repayable on demand.

27. CONTROLLING PARTY

Group and company

The ultimate controlling party of the company is the director, N D Garner.