REGISTERED NUMBER: 08197723 (England and Wales)

GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTOR AND

AUDITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

FOR

DRIVE FURTHER LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

	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 29

DRIVE FURTHER LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

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 Statutory Auditor 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 2017

The director presents his strategic report of the company and the group for the year ended 31 December 2017.

REVIEW OF BUSINESS

The continuing operations of the consolidated income statement saw an increase in turnover of 4.4% to £9.1m (2016:£8.7m). Administrative expenses increased by 4.7% to £8.7m (2016: £8.3m), which includes £263k (2016: £287k) of goodwill amortisation. As a result, the profit before tax of the continuing operations has reduced by £14k to £233k (2016:£247k).

The consolidated balance sheet shareholders' funds have increased by 5.6% to £1.44m (2016: £1.36m).

Turning to the consolidated cash flow statement, the group generated £0.9m cash from operations during the year (2016: £0.5m).

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 85 (2016: 87).

The group continues to focus on key areas of income generation and cost control throughout the 2018 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.

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 2018, which will be arranged externally.

Future risk

The government has introduced the Civil Liability Bill which has commenced its parliamentary passage through the House of Lords. The Bill is designed to disincentivise minor, exaggerated and fraudulent Road Traffic Accident related whiplash claims by:

1. The introduction of a tariff of fixed compensation for pain, suffering and loss of amenity for claims;
2. introducing a ban on both the offering, payment and requesting of offers to settle claims without medical evidence;
3. Increasing the small claims limit to
a. £5,000 for Road Traffic Accident related personal injury claims ; and
b. £2,000 for all other types of personal injury claim.

The changes will have a significant and material effect in relation to the group's Road Traffic Accident 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 group is developing potential models for post these changes but the current uncertainties are such that we cannot provide a definitive indication of the overall likely effect. The effect of the changes in relation to non Road Traffic Accident business is not considered to be significant.

The earliest date of these changes is April 2019 but the group suspects that this may be delayed until October 2019 or April 2020 and may subsequently alter dependent on the industry's appetite for developing an alternative claims framework.

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.

FINANCIAL KEY PERFORMANCE INDICATORS

The group income increased for the year by 4.4% to £9.1m (2016: £8.7m).

The profit for the period after taxation but before dividends was £126k (2016: £151k).

The shareholders' funds of the group were £1.44m at 31 December 2017 (2016: £1.37m).

The decrease in cash for the year was £789k (2016: £800k decrease).

OTHER KEY PERFORMANCE INDICATORS

There were 585 vehicles on fleet at 31 December 2017 (2016: 560).

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 director has 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, the director continues 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

31 July 2018

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2017

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2017.

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 2017 will be £50,000 (2016: £Nil). 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 2017 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;
- 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.

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.

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2017

AUDITORS
The auditors, Allens Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

N D Garner - Director

31 July 2018

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

Opinion

We have audited the financial statements of Drive Further Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2017 and of the group's profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

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.

Responsibilities of director
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, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report
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.

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

31 July 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	31/12/17 £	31/12/16 £
TURNOVER	3	**9,125,026**	8,744,120
Administrative expenses		**8,713,110**	8,321,904
OPERATING PROFIT	5	**411,916**	422,216
Interest receivable and similar income	6	**443**	156
		412,359	422,372
Interest payable and similar expenses	7	**179,711**	175,550
PROFIT BEFORE TAXATION		**232,648**	246,822
Tax on profit	8	**106,836**	95,959
PROFIT FOR THE FINANCIAL YEAR		**125,812**	150,863
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**125,812**	150,863
Profit attributable to: Owners of the parent		**125,812**	150,863
Total comprehensive income attributable to: Owners of the parent		**125,812**	150,863

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2017

	Notes	31/12/17 £	31/12/17 £	31/12/16 £	31/12/16 £
FIXED ASSETS					
Intangible assets	12		-		263,303
Tangible assets	13		**4,077,439**		3,793,505
Investments	14		**-**		-
			4,077,439		4,056,808
CURRENT ASSETS					
Debtors	15	**4,842,964**		4,425,191	
CREDITORS					
Amounts falling due within one year	16	**4,391,195**		4,928,459	
NET CURRENT ASSETS/(LIABILITIES)			**451,769**		(503,268)
TOTAL ASSETS LESS CURRENT LIABILITIES			**4,529,208**		3,553,540
CREDITORS					
Amounts falling due after more than one year	17		**(2,012,712)**		(1,278,769)
PROVISIONS FOR LIABILITIES	22		**(1,078,794)**		(912,881)
NET ASSETS			**1,437,702**		1,361,890
CAPITAL AND RESERVES					
Called up share capital	23		**900**		900
Share premium	24		**100,000**		100,000
Capital redemption reserve	24		**100**		100
Retained earnings	24		**1,336,702**		1,260,890
SHAREHOLDERS' FUNDS			**1,437,702**		1,361,890

The financial statements were approved by the director on 31 July 2018 and were signed by:

N D Garner - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 DECEMBER 2017

	Notes	31/12/17 £	31/12/17 £	31/12/16 £	31/12/16 £
FIXED ASSETS					
Intangible assets	12		-		-
Tangible assets	13		-		-
Investments	14		**6,020,535**		6,020,535
			6,020,535		6,020,535
CREDITORS					
Amounts falling due within one year	16	**2,061,233**		2,061,233	
NET CURRENT LIABILITIES			**(2,061,233)**		(2,061,233)
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,959,302**		3,959,302
CAPITAL AND RESERVES					
Called up share capital	23		**900**		900
Share premium	24		**100,000**		100,000
Capital redemption reserve	24		**100**		100
Retained earnings	24		**3,858,302**		3,858,302
SHAREHOLDERS' FUNDS			**3,959,302**		3,959,302
Company's profit for the financial year			**50,000**		311,285

The financial statements were approved by the director on 31 July 2018 and were signed by:

N D Garner - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2016	900	1,110,027	100,000	100	1,211,027
Changes in equity					
Total comprehensive income	-	150,863	-	-	150,863
Balance at 31 December 2016	900	1,260,890	100,000	100	1,361,890
Changes in equity					
Dividends	-	(50,000)	-	-	(50,000)
Total comprehensive income	-	125,812	-	-	125,812
Balance at 31 December 2017	900	1,336,702	100,000	100	1,437,702

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2016	900	3,547,017	100,000	100	3,648,017
Changes in equity					
Total comprehensive income	-	311,285	-	-	311,285
Balance at 31 December 2016	900	3,858,302	100,000	100	3,959,302
Changes in equity					
Dividends	-	(50,000)	-	-	(50,000)
Total comprehensive income	-	50,000	-	-	50,000
Balance at 31 December 2017	900	3,858,302	100,000	100	3,959,302

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	31/12/17 £	31/12/16 £
Cash flows from operating activities			
Cash generated from operations	1	**928,716**	506,557
Interest paid		**(61,628)**	(3,541)
Interest element of hire purchase payments paid		**(82,342)**	(81,484)
Tax paid		**(65,373)**	(92,965)
Net cash from operating activities		**719,373**	328,567
Cash flows from investing activities			
Purchase of tangible fixed assets		**(115,500)**	(22,888)
Sale of tangible fixed assets		**793,001**	757,297
Interest received		**443**	156
Net cash from investing activities		**677,944**	734,565
Cash flows from financing activities			
Capital repayments in year		**(1,226,814)**	(1,923,558)
Amount introduced by directors		**52,169**	59,950
Related party loan repaid		**(961,192)**	-
Equity dividends paid		**(50,000)**	-
Net cash from financing activities		**(2,185,837)**	(1,863,608)
Decrease in cash and cash equivalents		**(788,520)**	(800,476)
Cash and cash equivalents at beginning of year	2	**(125,669)**	674,807
Cash and cash equivalents at end of year	2	**(914,189)**	(125,669)

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31/12/17	31/12/16
	£	£
Profit before taxation	232,648	246,822
Depreciation charges	1,024,653	863,028
Profit on disposal of fixed assets	(63,249)	(43,512)
Amortisation charge	263,303	287,240
Finance costs	179,711	175,550
Finance income	(443)	(156)
	1,636,623	1,528,972
Increase in trade and other debtors	(417,773)	(1,124,563)
(Decrease)/increase in trade and other creditors	(290,134)	102,148
Cash generated from operations	928,716	506,557

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2017

	31/12/17	1/1/17
	£	£
Bank overdrafts	(914,189)	(125,669)

Year ended 31 December 2016

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

3. MAJOR NON-CASH TRANSACTIONS

During the period the group entered into hire purchase arrangements in respect of assets totalling £1,875,232 (2016: £1,788,392).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 director has 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 2017.

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.

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

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.

<u>Claims</u>
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.

<u>Bad and doubtful debts</u>
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.

continued...

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.

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.

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	-	25% on reducing balance and to bring asset in line with market value
Fixtures & fittings	-	33% on cost, 20% on cost and 10% on reducing balance
Motor vehicles	-	25% on reducing balance, 20% on reducing balance and straight line to its residual value
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.

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.

continued...

2. **ACCOUNTING POLICIES - continued**

Financial instruments
Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The group 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.

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 if impairment is found, an impairment loss is recognised in the statement of comprehensive income.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

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.

continued...

2. ACCOUNTING POLICIES - continued

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.

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.

3. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

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

	31/12/17	31/12/16
	£	£
Claims handling & vehicle hire	8,746,986	8,349,823
Employment law solutions	378,040	394,297
	9,125,026	8,744,120

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

continued...

4. EMPLOYEES AND DIRECTORS

	Year Ended 31/12/17	Year Ended 31/12/16
	£	£
Wages and salaries	**2,187,789**	2,162,359
Social security costs	**202,965**	201,334
Other pension costs	**58,803**	166,520
	2,449,557	2,530,213

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

Office and administration	**57**	60
Sales and marketing	**24**	24
Drivers	**4**	3
	85	87

5. OPERATING PROFIT

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

	Year Ended 31/12/17	Year Ended 31/12/16
	£	£
Hire of plant and machinery	**1,221**	4,028
Depreciation - owned assets	**237,147**	121,019
Depreciation - assets on hire purchase contracts	**787,506**	742,009
(Profit)/loss on disposal of fixed assets	**(63,249)**	(43,512)
Goodwill amortisation	**263,303**	287,240
Auditors' remuneration:		
- Subsidiaries	**25,783**	29,816
- Audit of the parent company and the consolidated accounts	**3,500**	3,500
Auditors' remuneration for non audit work:		
- Subsidiaries	**4,000**	4,767
Operating lease rentals	**464,544**	392,845

Directors' remuneration	**25,190**	20,548
Directors' pension contributions to money purchase schemes	**-**	51,240

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

Money purchase schemes	**1**	1

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	31/12/17	31/12/16
	£	£
Corporation tax interest	**443**	156

continued...

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31/12/17	31/12/16
	£	£
Bank interest	9,627	3,540
Loan interest	87,742	90,526
Hire purchase interest	82,342	81,484
	179,711	175,550

8. TAXATION

Analysis of the tax charge

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

	31/12/17	31/12/16
	£	£
Current tax:		
UK corporation tax	111,718	138,159
Adjustment in respect of prior years	-	(16,679)
Total current tax	111,718	121,480
Deferred tax	(4,882)	(25,521)
Tax on profit	106,836	95,959

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:

	31/12/17	31/12/16
	£	£
Profit before tax	232,648	246,822
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	44,203	49,364
Effects of:		
Expenses not deductible for tax purposes	64,239	63,274
Adjustments to tax charge in respect of previous periods	-	(16,679)
Change in Corporation Tax rate	(1,606)	-
Total tax charge	106,836	95,959

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

continued...

9. 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.

10. DIVIDENDS

	31/12/17	31/12/16
	£	£
Dividends - Interim	**50,000**	-

11. 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 £58,803 (2016: £166,520) to the fund.

12. INTANGIBLE FIXED ASSETS

Group

	Goodwill
	£
COST	
At 1 January 2017	
and 31 December 2017	**1,436,200**
AMORTISATION	
At 1 January 2017	**1,172,897**
Amortisation for year	**263,303**
At 31 December 2017	**1,436,200**
NET BOOK VALUE	
At 31 December 2017	-
At 31 December 2016	263,303

continued...

13. TANGIBLE FIXED ASSETS

Group

	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Computer hardware & software £	Totals £
COST					
At 1 January 2017	10,099	86,799	5,157,638	71,090	5,325,626
Additions	803	79,588	1,922,839	35,109	2,038,339
Disposals	-	(7,301)	(1,478,343)	-	(1,485,644)
At 31 December 2017	10,902	159,086	5,602,134	106,199	5,878,321
DEPRECIATION					
At 1 January 2017	7,156	29,317	1,453,920	41,728	1,532,121
Charge for year	803	25,326	977,869	20,655	1,024,653
Eliminated on disposal	-	(7,301)	(748,591)	-	(755,892)
At 31 December 2017	7,959	47,342	1,683,198	62,383	1,800,882
NET BOOK VALUE					
At 31 December 2017	2,943	111,744	3,918,936	43,816	4,077,439
At 31 December 2016	2,943	57,482	3,703,718	29,362	3,793,505

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 2017	4,327,355	64,915	4,392,270
Additions	1,875,232	-	1,875,232
Disposals	(1,037,613)	-	(1,037,613)
Transfer to ownership	(750,968)	-	(750,968)
At 31 December 2017	4,414,006	64,915	4,478,921
DEPRECIATION			
At 1 January 2017	1,173,622	38,949	1,212,571
Charge for year	774,523	12,983	787,506
Eliminated on disposal	(499,836)	-	(499,836)
Transfer to ownership	(376,333)	-	(376,333)
At 31 December 2017	1,071,976	51,932	1,123,908
NET BOOK VALUE			
At 31 December 2017	3,342,030	12,983	3,355,013
At 31 December 2016	3,153,733	25,966	3,179,699

continued...

14. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2017	
and 31 December 2017	**16,008,200**
PROVISIONS	
At 1 January 2017	
and 31 December 2017	**9,987,665**
NET BOOK VALUE	
At 31 December 2017	**6,020,535**
At 31 December 2016	6,020,535

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

Subsidiaries

MSL Legal Expenses Limited
Registered office:
Nature of business: Motorist legal services

Class of shares:	% holding
Ordinary	100.00

	31/12/17 £	31/12/16 £
Aggregate capital and reserves	**1,271,737**	1,160,423
Profit for the year	**161,314**	185,718

Direct shareholding.

MSL Vehicle Solutions Limited
Registered office:
Nature of business: Vehicle hire

Class of shares:	% holding
Ordinary	100.00

	31/12/17 £	31/12/16 £
Aggregate capital and reserves	**2,417,295**	2,219,006
Profit for the year	**198,289**	248,755

Direct shareholding.

continued...

14. FIXED ASSET INVESTMENTS - continued

Opsium Limited
Registered office:
Nature of business: HR and employment services

Class of shares:	% holding
Ordinary	100.00

	31/12/17	31/12/16
	£	£
Aggregate capital and reserves	**(190,096)**	(219,611)
Profit for the year	**29,515**	3,629

Direct shareholding.

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

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	31/12/17	31/12/16
	£	£
Trade debtors	**4,322,747**	4,030,361
Other debtors	**33,083**	13,142
Prepayments and accrued income	**487,134**	381,688
	4,842,964	4,425,191

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31/12/17	31/12/16	**31/12/17**	31/12/16
	£	£	**£**	£
Bank loans and overdrafts (see note 18)	**914,189**	125,669	**-**	-
Hire purchase contracts (see note 19)	**1,023,291**	1,061,209	**-**	-
Trade creditors	**1,115,946**	1,188,827	**-**	-
Amounts owed to group undertakings	**-**	-	**2,008,629**	2,008,629
Corporation Tax	**111,275**	64,930	**-**	-
Social security and other taxes	**55,714**	59,301	**-**	-
VAT	**145,407**	96,091	**-**	-
Other creditors	**40,537**	994,307	**-**	-
Directors' current accounts	**160,853**	108,684	**52,604**	52,604
Accruals and deferred income	**823,983**	1,229,441	**-**	-
	4,391,195	4,928,459	**2,061,233**	2,061,233

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

	Group	
	31/12/17	31/12/16
	£	£
Hire purchase contracts (see note 19)	**2,012,712**	1,278,769

continued...

18. **LOANS**

An analysis of the maturity of loans is given below:

	Group	
	31/12/17	31/12/16
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	**914,189**	125,669

19. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	31/12/17	31/12/16
	£	£
Net obligations repayable:		
Within one year	**1,023,291**	1,061,209
Between one and five years	**2,012,712**	1,278,769
	3,036,003	2,339,978

Group

	Non-cancellable operating leases	
	31/12/17	31/12/16
	£	£
Between one and five years	**849,455**	947,244

20. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group	
	31/12/17	31/12/16
	£	£
Bank overdraft	**914,189**	125,669
Hire purchase contracts	**3,036,003**	2,339,978
	3,950,192	2,465,647

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.

continued...

21. FINANCIAL INSTRUMENTS

Group	2017	2016
	£	£
Financial assets		
Financial assets measured at amortised cost	4,355,830	4,043,503
Financial liabilities		
Financial liabilities measured at amortised cost	4,192,486	4,523,112

Financial assets measured at amortised cost comprise trade debtors and other sundry debtors of a contractual nature.

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

Company	2017	2016
	£	£
Financial liabilities		
Financial liabilities measured at amortised cost	2,008,629	2,008,629

Financial liabilities measured at amortised cost comprise group loans.

22. PROVISIONS FOR LIABILITIES

	Group	
	31/12/17	31/12/16
	£	£
Deferred tax		
Accelerated capital allowances	55,806	60,688
Other provisions		
Insurance claims reserve	1,022,988	852,193
Aggregate amounts	1,078,794	912,881

Group

	Deferred tax	Other provisions
	£	£
Balance at 1 January 2017	60,688	852,193
Provided during year	-	170,795
Credit to Statement of Comprehensive Income during year	(4,882)	-
Balance at 31 December 2017	55,806	1,022,988

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

continued...

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal value:	31/12/17	31/12/16
10,000	Ordinary 'B'	£0.01	**100**	100
5,000	Ordinary 'C'	£0.01	**50**	50
75,000	Ordinary 'C1'	£0.01	**750**	750
			900	900

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

24. 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.

continued...

25. 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 £50,000 (2016: £Nil) were paid to the director N D Garner.

Total key management compensation, including social security and pension contributions, was £423,591.

Transactions with related parties to the group are as follows:

	31/12/17	31/12/16
	£	£
Transactions		
Turnover (1)	**288,392**	361,069
Underwriting (1)	**113,232**	92,969
Loan interest & fees (2)	**87,742**	90,525
Balances		
Loan due to director	**160,853**	108,684
Loan - within Other creditors (2)	**8,808**	970,000

(1) Company under common control

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

	31/12/17	31/12/17
	£	£
Balances		
Loan due to director	**52,604**	52,604

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

26. ULTIMATE CONTROLLING PARTY

Group and company

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