

Caravan Guard Limited

Annual Report and Financial Statements
for the Year Ended 31 March 2022

Caravan Guard Limited

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Caravan Guard Limited

Strategic Report for the Year Ended 31 March 2022

The directors present their strategic report for the year ended 31 March 2022.

Principal activity

The principal activity of the company is the selling of caravan and general insurance.

Fair review of the business

The company's turnover decreased in the year by 6% at £11,903,238 (2021 £12,719,694), it is important to note that the prior year turnover included the release of historic underwriting reserves in that period. The income from policies sold in the current period increased by 8% compared to the prior year, demonstrating solid underlying organic growth.

The profit for the year after taxation amounted to £3,445,808 (2021 £4,676,873). The balance sheet on page 8 of the financial statements shows that the company's financial position is strong in terms of net assets and cash.

The directors believe that with its well- established business resilience and crisis management procedures, was well positioned to respond to the continued COVID-19 situation. Senior management have maintained the policy from work in the office to work from home. During the period senior management continued to have active oversight of productivity and employee well-being, which has continued post year end. Continued oversight of the operational and economic risks caused by the pandemic have been effectively managed as a result.

Principal risks and uncertainties

Rising inflation and threat of recession following the pandemic, Brexit and the Russian invasion of Ukraine all contribute to an uncertain economic outlook. The impact of a potential 'cost of living crisis' on customer demand for Caravan Guard products remains to be seen. However, Caravan Guard continued to trade strongly both in the last recession and the more recent economic impacts of the pandemic - demonstrating its resilience and agility. The Board continues to monitor the situation closely so it can quickly identify and react to any potential market changes as well as ensuring the continued well-being of its staff.

The company undertakes transactions in sterling only and is therefore not subject to foreign exchange risk.

The company has no long term debt and is therefore not exposed directly to interest rate risk.

Approved and authorised by the Board on 14 December 2022 and signed on its behalf by:

.....
R A J Wilby
Director

Caravan Guard Limited

Directors' Report for the Year Ended 31 March 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Director of the company

The directors who held office during the year were as follows:

P M Wilby

N H M Wilby

R A J Wilby

S V A Crofts

L J G Menzies

C W Nettleton

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved and authorised by the Board on 14 December 2022 and signed on its behalf by:

.....

R A J Wilby

Director

Caravan Guard Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Caravan Guard Limited

Independent Auditor's Report to the Members of Caravan Guard Limited

Opinion

We have audited the financial statements of Caravan Guard Limited (the 'company') for the year ended 31 March 2022, which comprise the Profit and Loss Account, Balance Sheet, Statement of Cash Flows, and 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 company's affairs as at 31 March 2022 and of its 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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Caravan Guard Limited

Independent Auditor's Report to the Members of Caravan Guard Limited

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 3], the directors are 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 directors determine is 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In planning and designing our audit tests, we identify and assess the risks of material misstatement within the financial statements, whether due to fraud or error. Our assessment of these risks includes consideration of the nature of the industry and sector, the control environment and the business performance along with the results of our enquiries of management, about their own identification and assessment of the risks of irregularities. We are also required to perform specific procedures to respond to the risk of management override.

Following this assessment we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in evaluating the sales completeness and cut off.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, through discussions with directors and other management, and from our commercial knowledge and experience of the sector in which the company operates, to enable us to identify the key laws and regulations applicable to the company. We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including FCA, Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

We then performed audit procedures after consideration of the above risks which included the following:

- reviewing a sample of insurance policies to gain assurance that income is allocated in the correct period;
- reviewing post year end activity and external documentation to verify a sample of year end insurance debtors and creditors;

Caravan Guard Limited

Independent Auditor's Report to the Members of Caravan Guard Limited

- gain assurance that the commission has been correctly recognised on issue of the fee notes;
 - review systems and controls to gain assurance that they are working effectively;
 - enquiring of management concerning actual and potential litigation and claims;
 - reviewing correspondence with HMRC, FCA and the company's legal advisors;
 - performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
 - reading minutes of meetings of those charged with governance; and;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

All engagement team members were informed of the relevant laws and regulations and potential fraud risks at the planning stage and reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify such items.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Christopher Padgett FCA (Senior Statutory Auditor)

For and on behalf of Watson Buckle Limited,

Statutory Auditors & Chartered Accountants

Bradford

14 December 2022

Caravan Guard Limited

Profit and Loss Account for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover	<u>3</u>	11,741,423	12,719,694
Administrative expenses		(7,762,812)	(7,451,483)
Other operating income		<u>7,559</u>	<u>64,440</u>
Operating profit	<u>4</u>	<u>3,986,170</u>	<u>5,332,651</u>
Income from other current asset investments		58,743	57,610
Other interest receivable and similar income		104	5,763
Fair value adjustment on investments		(15,040)	395,491
Interest payable and similar expenses		<u>-</u>	<u>(269)</u>
		<u>43,807</u>	<u>458,595</u>
Profit before tax		4,029,977	5,791,246
Taxation	<u>9</u>	<u>(715,984)</u>	<u>(1,114,373)</u>
Profit for the financial year		<u><u>3,313,993</u></u>	<u><u>4,676,873</u></u>

Caravan Guard Limited
(Registration number: 04036555)
Balance Sheet as at 31 March 2022

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Intangible assets	<u>10</u>		107,525		19,145
Tangible assets	<u>11</u>		<u>600,721</u>		<u>665,613</u>
			708,246		684,758
Current assets					
Debtors	<u>13</u>	2,441,626		3,133,811	
Current asset investments	<u>12</u>	2,154,375		2,046,802	
Cash at bank and in hand	<u>14</u>	<u>5,560,266</u>		<u>5,312,212</u>	
		10,156,267		10,492,825	
Creditors: Amounts falling due within one year	<u>15</u>	<u>(5,531,389)</u>		<u>(5,382,894)</u>	
Net current assets			<u>4,624,878</u>		<u>5,109,931</u>
Total assets less current liabilities			5,333,124		5,794,689
Provisions for liabilities	<u>16</u>		<u>(69,000)</u>		<u>(66,000)</u>
Net assets			<u><u>5,264,124</u></u>		<u><u>5,728,689</u></u>
Capital and reserves					
Called up share capital	<u>18</u>	1,000		1,000	
Profit and loss account	<u>19</u>	4,882,673		5,332,198	
Non-distributable reserve	<u>19</u>	<u>380,451</u>		<u>395,491</u>	
Total equity			<u><u>5,264,124</u></u>		<u><u>5,728,689</u></u>

Approved and authorised by the Board on 14 December 2022 and signed on its behalf by:

.....
R A J Wilby
Director

Caravan Guard Limited

Statement of Changes in Equity for the Year Ended 31 March 2022

	Share capital £	Non-distributable reserve £	Profit and loss account £	Total £
At 1 April 2021	1,000	395,491	5,332,198	5,728,689
(Loss)/profit for the year	-	(15,040)	3,329,033	3,313,993
Dividends	-	-	(3,778,558)	(3,778,558)
At 31 March 2022	1,000	380,451	4,882,673	5,264,124

	Share capital £	Non-distributable reserve £	Profit and loss account £	Total £
At 1 April 2020	1,000	-	3,107,378	3,108,378
Profit for the year	-	395,491	4,281,382	4,676,873
Dividends	-	-	(2,056,562)	(2,056,562)
At 31 March 2021	1,000	395,491	5,332,198	5,728,689

Caravan Guard Limited

Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022	2021
		£	£
Cash flows from operating activities			
Profit for the year		3,313,993	4,676,873
Adjustments to cash flows from non-cash items			
Depreciation and amortisation		149,844	157,547
Financial instrument net (gains)/losses through profit and loss		15,040	(395,491)
(Profit)/loss on disposal of tangible assets		(6,006)	6,434
(Profit)/loss from disposals of investments		(66,938)	58,806
Finance income		(58,847)	(63,373)
Finance costs		-	269
Corporation tax expense		<u>715,984</u>	<u>1,114,373</u>
		4,063,070	5,555,438
Working capital adjustments			
Decrease/(increase) in trade debtors		692,185	(1,504,931)
Increase/(decrease) in trade creditors		<u>541,558</u>	<u>(624,091)</u>
Cash generated from operations		5,296,813	3,426,416
Corporation tax paid		<u>(1,106,047)</u>	<u>(587,398)</u>
Net cash flow from operating activities		4,190,766	2,839,018
Cash flows from investing activities			
Interest received		58,847	63,373
Acquisitions of tangible assets	<u>11</u>	(92,983)	(331,492)
Proceeds from sale of tangible assets		33,182	629
Acquisition of intangible assets	<u>10</u>	(107,525)	-
Sale of investments		231,514	311,342
Purchase of investments	<u>12</u>	<u>(287,189)</u>	<u>(364,450)</u>
Net cash flows from investing activities		(164,154)	(320,598)
Cash flows from financing activities			
Interest paid		-	(269)
Dividends paid		<u>(3,778,558)</u>	<u>(2,056,562)</u>
Net cash flows from financing activities		<u>(3,778,558)</u>	<u>(2,056,831)</u>
Net increase in cash and cash equivalents		248,054	461,589
Cash and cash equivalents at 1 April		<u>5,312,212</u>	<u>4,850,623</u>
Cash and cash equivalents at 31 March	<u>14</u>	<u><u>5,560,266</u></u>	<u><u>5,312,212</u></u>

The notes on pages 11 to 21 form an integral part of these financial statements.
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Caravan Guard Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

New Road
Halifax
West Yorkshire
HX1 2JZ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were 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.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The company's functional and presentational currency is the pound sterling.

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make 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 during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets and their carrying amount is determined by the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually and amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The carrying amount is £600,721 (2021 -£665,613).

Profit commissions

The company makes an estimate of the profit commissions due to be received based on loss ratios. When assessing profit commissions, management considers factors including the current loss ratio and historical experience. The carrying amount is £1,263,261 (2021 -£1,747,570).

Revenue recognition

Turnover represents commissions, which are taken to revenue in full at the creation date of the policy; profit commissions, which are recognised when they become receivable; and equalisation, which is recognised when it becomes receivable.

Caravan Guard Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Government grants

Grants are measured at the fair value of the asset received or receivable.

A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in income in the period in which it becomes receivable.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets less any residual value, other than land and properties under construction over their estimated useful lives.

If there is an indication that there has been a significant change in estimated useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Depreciation is charged as follows:

Asset class	Depreciation method and rate
Freehold buildings	2% straight line basis
Short leasehold land and buildings	Over the lease term
Fixtures and fittings	25% reducing balance basis / 33.33% straight line basis
Motor vehicles	25% reducing balance basis / 29% - 75% straight line basis

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Caravan Guard Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful lives as follows:

Asset class	Amortisation method and rate
Development costs	50% straight line basis

Research & development

Research and development costs incurred are expensed to the profit and loss account as they arise within the relevant expense category.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Provisions for liabilities

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Caravan Guard Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar asset. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss and any subsequent reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3 Turnover

The analysis of the company's revenue for the year from continuing operations is as follows:

	2022	2021
	£	£
Rendering of services	11,741,423	12,719,694

4 Operating profit

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	130,699	138,177
Amortisation expense	19,145	19,370
(Profit)/loss on disposal of fixed assets	(6,006)	6,434
(Profit)/loss on disposal of current asset investments	(66,938)	58,806

Caravan Guard Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

5 Government grants

During the year the company has received grant income of £Nil (2021 - £56,955) in respect of the Coronavirus Job Retention Scheme.

The amount of grants recognised in the financial statements was £Nil (2021 - £56,955).

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £	2021 £
Wages and salaries	3,664,220	3,446,439
Social security costs	408,339	360,775
Pension costs, defined contribution scheme	205,140	173,614
	<u>4,277,699</u>	<u>3,980,828</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Administration and support	<u>120</u>	<u>126</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	151,621	176,303
Contributions paid to money purchase schemes	7,456	7,263
	<u>159,077</u>	<u>183,566</u>

During the year the number of directors who were receiving benefits was as follows:

	2022 No.	2021 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

8 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>9,750</u>	<u>8,750</u>

Caravan Guard Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

9 Taxation

Tax charged/(credited) in the income statement

	2022 £	2021 £
Current taxation		
UK corporation tax	747,000	1,023,000
UK corporation tax adjustment to prior periods	(34,016)	(627)
	<u>712,984</u>	<u>1,022,373</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(18,000)	92,000
Arising from changes in tax rates and laws	21,000	-
	<u>3,000</u>	<u>92,000</u>
Total deferred taxation	<u>3,000</u>	<u>92,000</u>
Tax expense in the income statement	<u>715,984</u>	<u>1,114,373</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	<u>4,029,977</u>	<u>5,791,246</u>
Corporation tax at standard rate	765,696	1,100,337
Effect of revenues exempt from taxation	(20,944)	2,828
Effect of expense not deductible in determining taxable profit (tax loss)	(18,697)	8,649
Deferred tax expense relating to changes in tax rates or laws	21,000	-
Decrease in UK and foreign current tax from adjustment for prior periods	(34,016)	(627)
Tax increase from effect of indexation allowance on capital gains	2,945	3,186
Total tax charge	<u>715,984</u>	<u>1,114,373</u>

Caravan Guard Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Deferred tax

Deferred tax assets and liabilities

	Liability £
2022	
Depreciation in excess of capital allowances	18,500
Financial assets at fair value through profit or loss	49,500
	<u>68,000</u>
	Liability £
2021	
Depreciation in excess of capital allowances	27,000
Financial assets at fair value through profit or loss	39,000
	<u>66,000</u>

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £19,593 (2021 - £23,300).

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax has been calculated at 25% which was the tax rate substantively enacted at 31 March 2022.

10 Intangible assets

	Goodwill £	Development costs £	Total £
Cost			
At 1 April 2021	42,500	78,094	120,594
Additions acquired separately	-	107,525	107,525
	<u>42,500</u>	<u>185,619</u>	<u>228,119</u>
At 31 March 2022			
Amortisation			
At 1 April 2021	42,500	58,949	101,449
Amortisation charge	-	19,145	19,145
	<u>42,500</u>	<u>78,094</u>	<u>120,594</u>
At 31 March 2022			
Carrying amount			
At 31 March 2022	-	107,525	107,525
At 31 March 2021	-	19,145	19,145

Caravan Guard Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

11 Tangible assets

	Freehold land and buildings £	Short leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2021	275,739	163,773	1,374,692	398,064	2,212,268
Additions	-	-	12,143	80,840	92,983
Disposals	-	-	-	(118,090)	(118,090)
At 31 March 2022	275,739	163,773	1,386,835	360,814	2,187,161
Depreciation					
At 1 April 2021	10,544	135,047	1,194,897	206,167	1,546,655
Charge for the year	1,855	10,466	62,405	55,973	130,699
Eliminated on disposal	-	-	-	(90,914)	(90,914)
At 31 March 2022	12,399	145,513	1,257,302	171,226	1,586,440
Carrying amount					
At 31 March 2022	263,340	18,260	129,533	189,588	600,721
At 31 March 2021	265,195	28,726	179,795	191,897	665,613

Included within the net book value of land and buildings above is £183,000 (2021 - £183,000) in respect of land, which is not depreciated.

12 Current asset investments

	Financial assets at fair value through profit and loss £
Current financial assets	
Cost or valuation	
At 1 April 2021	2,046,802
Fair value adjustments	(15,040)
Additions	287,189
Disposals	(164,576)
Carrying amount	
At 31 March 2022	2,154,375

Caravan Guard Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

13 Debtors

	2022 £	2021 £
Insurance debtors	1,027,208	966,775
Prepayments	1,393,235	2,137,895
Other debtors	21,183	29,141
	<u>2,441,626</u>	<u>3,133,811</u>

14 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	1,013	283
Cash at bank	657,482	1,030,604
Client money	4,901,771	4,281,325
	<u>5,560,266</u>	<u>5,312,212</u>

15 Creditors

	2022 £	2021 £
Due within one year		
Trade creditors	147,033	81,847
Insurer creditors	4,193,346	3,636,758
Social security and other taxes	125,539	130,287
Other creditors	360,614	397,178
Accrued expenses	503,977	542,881
Corporation tax liability	200,880	593,943
	<u>5,531,389</u>	<u>5,382,894</u>

16 Provisions for liabilities

	Deferred tax £	Total £
At 1 April 2021	66,000	66,000
Increase (decrease) in existing provisions	<u>3,000</u>	<u>3,000</u>
At 31 March 2022	<u>69,000</u>	<u>69,000</u>

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £205,140 (2021 - £173,614).

Caravan Guard Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

18 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary A shares of £1 each	400	400	400	400
Ordinary B shares of £1 each	350	350	350	350
Ordinary C shares of £1 each	50	50	50	50
Ordinary D shares of £1 each	50	50	50	50
Ordinary E shares of £1 each	50	50	50	50
Ordinary F shares of £1 each	50	50	50	50
Ordinary G shares of £1 each	50	50	50	50
	1,000	1,000	1,000	1,000

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

All shares rank pari passu for income, capital and voting rights.

19 Reserves

Share capital

Represents the nominal value of issued shares.

Profit and loss account

Includes all current and prior periods distributable profits and losses.

Non-distributable reserve

Includes all current and prior periods non-distributable profits and losses.

20 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	95,000	95,000
Later than one year and not later than five years	237,417	332,417
	332,417	427,417

The amount of non-cancellable operating lease payments recognised as an expense during the year was £88,000 (2021 - £88,000).

Caravan Guard Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

21 Financial instruments

Financial assets measured at fair value

Current asset investments

The current asset investments are traded in active markets and the fair value has been determined using relevant open market rates.

The fair value is £2,154,375 (2021 - £2,046,802) and the change in value included in profit or loss is £(15,040) (2021 - £395,491).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.