

Company Registration No. 04421929 (England and Wales)

AUTOGARD HOLDINGS LIMITED

**REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2014**

SATURDAY



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AUTOGARD HOLDINGS LIMITED

COMPANY INFORMATION

Directors	W J Howgego P M Whaley E Saglik (Appointed 28 August 2014)
Secretary	DWF Secretarial Services (Scotland) Limited
Company number	04421929
Registered office	c/o DWF LLP Floor 31 20 Fenchurch Street London England EC3M 3BY
Auditors	Baker Tilly UK Audit LLP Chapel House Westmead Drive Westlea Swindon Wiltshire SN5 7UN
Bankers	HSBC Bank Plc Level 4 3 Temple Quay Bristol BS1 6DZ
Solicitors	Fasken Martineau LLP 17 Hanover Square London United Kingdom W1S 1HU

AUTOGARD HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present the strategic report and financial statements for the year ended 31 March 2014.

Review of the business

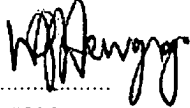
During the year the company continued to charge its subsidiaries for management support services and received income on the investment made in those subsidiaries resulting in a profit before tax of £325,239 (2013: £411,217). The company ended the year with net assets of £4,439,997 (2013: £4,114,758) including cash of £98,784 (2013: £352,784).

During the year the company transferred the business of two of its subsidiaries, Autogard Italia S.R.L. and Autogard Kupplungen Vertriebs GmbH, to its UK subsidiary British Autogard Limited. Autogard Italia S.R.L. and Autogard Kupplungen Vertriebs GmbH are now in liquidation.

Principal risks and uncertainties

In the opinion of the directors, given that the company's activity relates only to other group companies, the company faces no significant external risks and uncertainties.

On behalf of the board



W J Howgego

Director

22/12/14

AUTOGARD HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and financial statements for the year ended 31 March 2014.

Principal activity

The principal activity of the company during the year was the management and controlling of investments and the provision of management services to other group companies.

Results and dividends

The company's trading profit for the year, after taxation, was £325,239 (2013 profit £421,384).

Future developments

There are no plans to change the nature of the company's activities for the foreseeable future.

Directors

The following directors have held office since 1 April 2013 unless otherwise stated:

E W Blickley	(Resigned 28 August 2014)
W J Howgego	
P M Whaley	
M W Peterson	(Resigned 29 October 2014)
E Saglik	(Appointed 28 August 2014)

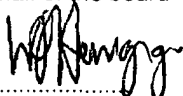
Auditors

Baker Tilly UK Audit LLP has expressed its willingness to continue in office. A resolution to reappoint Baker Tilly UK Audit LLP will be proposed at the annual general meeting.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



W J Howgego

Director

22.12.14

AUTOGARD HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

The directors are responsible 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUTOGARD HOLDINGS LIMITED

We have audited the financial statements set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement 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. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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

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

Baker Tilly UK Audit LLP

Nigel Goodman (Senior Statutory Auditor)
for and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
Chapel House
Westmead Drive
Westlea
Swindon
Wiltshire
SN5 7UN

23rd December 2014

AUTOGARD HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £	2013 £
Turnover	2	522,348	301,352
Administrative expenses		(500,093)	(535,883)
Operating profit/(loss)		<u>22,255</u>	<u>(234,531)</u>
Investment income	3	302,984	645,748
Profit on ordinary activities before taxation	4	325,239	411,217
Tax on profit on ordinary activities	5	-	10,167
Profit for the financial year	15	<u><u>325,239</u></u>	<u><u>421,384</u></u>

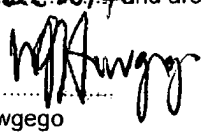
The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

AUTOGARD HOLDINGS LIMITED**BALANCE SHEET
AS AT 31 MARCH 2014**

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	8		-		12,327
Investments	9		2		28,175
			<u>2</u>		<u>40,502</u>
Current assets					
Debtors: amounts falling due within one year	10	1,591,327		1,029,253	
Debtors: amounts falling due after more than one year	10	3,047,494		2,914,998	
Cash at bank and in hand		98,784		352,784	
		<u>4,737,605</u>		<u>4,297,035</u>	
Creditors: amounts falling due within one year	11	(109,010)		(22,425)	
Net current assets			<u>4,628,595</u>		<u>4,274,610</u>
Total assets less current liabilities			<u>4,628,597</u>		<u>4,315,112</u>
Creditors: amounts falling due after more than one year	12		(188,600)		(200,354)
Net assets			<u><u>4,439,997</u></u>		<u><u>4,114,758</u></u>
Capital and reserves					
Called up share capital	14		122		122
Share premium account	15		335,824		335,824
Profit and loss account	15		4,104,051		3,778,812
Shareholder's funds	16		<u><u>4,439,997</u></u>		<u><u>4,114,758</u></u>

The financial statements on pages 5 to 15 were approved by the board of directors and authorised for issue on 22 Dec 2014 and are signed on its behalf by:


W J Howgego
Director

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group and consolidated accounts including the company are publicly available.

Compliance with accounting standards

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 401 of the Companies Act 2006 as it is a subsidiary undertaking of Rexnord Corporation, a company incorporated in the United States of America, and is included in the consolidated accounts of that company.

Turnover

Turnover is derived wholly from the provision of management services to the company's subsidiary undertakings.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

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

Leasehold improvements	5 years straight line
Plant and machinery	3-10 years straight line

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies (Continued)

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Financial instruments

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

2 Turnover

Turnover is derived wholly from the provision of management services to the company's subsidiary undertakings. 59.2% (2013: 26.9%) of turnover arose from undertakings outside the United Kingdom.

3	Investment income	2014 £	2013 £
	Income from shares in group undertakings	170,488	513,250
	Interest from group undertakings	132,496	132,498
		<u>302,984</u>	<u>645,748</u>
4	Profit on ordinary activities before taxation	2014 £	2013 £
	Profit on ordinary activities before taxation is stated after charging:		
	Depreciation of tangible fixed assets		
	- owned	12,327	14,787
	Exchange losses on foreign currency borrowings	124	12,787
		<u>12,451</u>	<u>27,574</u>

Auditor's remuneration of £1,700 (2013: £1,500) was borne by another group company.

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

5	Tax on profit on ordinary activities	2014 £	2013 £
	Current tax		
	Adjustment in respect of prior years	-	(80,930)
	Payment in respect of group relief	-	71,969
	Total current tax	-	(8,961)
	Deferred tax		
	Deferred tax	-	(1,206)
	Total tax on profit on ordinary activities	-	(10,167)

Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax (23%). The differences are explained below:

Profit on ordinary activities before taxation	325,239	411,217
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2013 - 24.00%)	74,805	98,692
Effects of:		
Expenses not deductible for tax purposes	93	-
Depreciation in excess of capital allowances	2,085	2,595
Utilisation of tax losses and other deductions	(5,150)	5,373
Losses carried back	-	16,520
Adjustments to tax charge in respect of previous periods	-	(8,961)
Group relief claimed	(32,968)	-
Group income	(39,212)	(123,180)
Other short term timing differences	347	-
	(74,805)	(107,653)
Current tax charge/(credit) for the year	-	(8,961)

Factors that may affect future tax charges

The main rate of corporation tax is expected to reduce to 20% by 1 April 2015. The 21% rate for 2014 and the 20% rate for 2015 were substantively enacted in July 2013.

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

6 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Number of administrative staff	2	3
Employment costs	2014 £	2013 £
Wages and salaries	159,526	200,314
Social security costs	19,953	20,759
Other pension costs	8,088	6,842
	187,567	227,915

7 Directors' remuneration

	2014 £	2013 £
Remuneration for qualifying services	100,707	96,870
Company contributions to money purchase pension schemes	4,899	4,734
	105,606	101,604

The number of directors to whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2013 - 1).

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

8 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Total £
Cost			
At 1 April 2013 & at 31 March 2014	115,980	147,871	263,851
Depreciation			
At 1 April 2013	115,980	135,544	251,524
Charge for the year	-	12,327	12,327
At 31 March 2014	115,980	147,871	263,851
Net book value			
At 31 March 2014	-	-	-
At 31 March 2013	-	12,327	12,327

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 April 2013	28,175
Disposals	(28,173)
At 31 March 2014	2
Net book value	
At 31 March 2014	2
At 31 March 2013	28,175

Disposals reflect the transfer of the businesses of Autogard Italia S.R.L. and Autogard Kupplungen Vertriebs GmbH to British Autogard Limited and their subsequent liquidation.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held	%
Subsidiary undertakings				
British Autogard Limited	United Kingdom	Ordinary	100.00	
Autogard Asia Pacific Pty Ltd	Australia	Ordinary	100.00	

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2014 £	Profit/(loss) for the year 2014 £
	Principal activity		
British Autogard Limited	Manufacture, distribution and sale of power transmission products	435,599	10,861
Autogard Asia Pacific Pty Ltd	Manufacture, distribution and sale of power transmission products	362,644	101,424

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

10 Debtors	2014	2013
	£	£
Amounts owed by group undertakings	4,591,608	3,863,320
Corporation tax	17,723	80,930
Other debtors	6,490	1
Prepayments and accrued income	23,000	-
	<u>4,638,821</u>	<u>3,944,251</u>
Amounts falling due after more than one year and included in the debtors above are:		
	2014	2013
	£	£
Amounts owed by group undertakings	<u>3,047,494</u>	<u>2,914,998</u>
11 Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	775	-
Taxes and social security costs	5,328	-
Other creditors	1,507	-
Accruals and deferred income	101,400	22,425
	<u>109,010</u>	<u>22,425</u>
12 Creditors: amounts falling due after more than one year	2014	2013
	£	£
Amounts owed to group undertakings	<u>188,600</u>	<u>200,354</u>
Analysis of debt maturity		
Amounts payable:		
In five years or more	<u>188,600</u>	<u>200,354</u>
	<u>188,600</u>	<u>200,354</u>

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

13 Retirement Benefits

Defined contribution scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently-administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2014 £	2013 £
Contributions payable by the company for the year	8,088	6,842

14 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
122 Ordinary shares of £1 each	122	122

15 Reserves

	Share premium account £	Profit and loss account £
Balance at 1 April 2013	335,824	3,778,812
Profit for the year	-	325,239
Balance at 31 March 2014	335,824	4,104,051

16 Reconciliation of movements in shareholder's funds

	2014 £	2013 £
Profit for the financial year	325,239	421,384
Opening shareholder's funds	4,114,758	3,693,374
Closing shareholder's funds	4,439,997	4,114,758

17 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 and has not disclosed details of transactions with other wholly-owned entities in the group headed by Rexnord Corporation.

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

18 Parent company and controlling party

The immediate parent company is Rexnord Industries (UK) Limited, a company incorporated in the United Kingdom and registered in England & Wales. The ultimate parent company and controlling party is Rexnord Corporation, a company incorporated in the United States of America. Rexnord Corporation heads the largest and smallest group in which the results of the company are consolidated.

19 Post balance sheet events

On 30 October 2014 the company acquired the entire issued share capital of Tollok S.p.A., a company incorporated in Italy, for consideration of approximately £36m financed by a loan of £13m from Rexnord Industries LLC and the issue of £23m share capital.