

Company Registration No. 04421929 (England and Wales)

AUTOGARD HOLDINGS LIMITED

**REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2015**

TUESDAY



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COMPANIES HOUSE

AUTOGARD HOLDINGS LIMITED

COMPANY INFORMATION

Directors	W J Howgego P M Whaley E Saglik
Secretary	DWF Secretarial Services (Scotland) Limited
Company number	04421929
Registered office	c/o DWF LLP Floor 31 20 Fenchurch Street London England EC3M 3AG
Auditors	Baker Tilly UK Audit LLP Hartwell House 55-61 Victoria Street Bristol BS1 6AD
Bankers	HSBC Bank Plc Level 4 3 Temple Quay Bristol BS1 6DZ

AUTOGARD HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present the strategic report and financial statements for the year ended 31 March 2015.

Review of the business

During the year, the company acquired two new subsidiaries. Tollok S.p.A., a company incorporated in Italy, was acquired on 30 October 2014 for consideration of approximately £38m financed by group debt of £15m and the issue of £23m share capital. Euroflex Transmissions (India) Private Limited, a company incorporated in India, was acquired on 7 January 2015 for consideration of approximately £52m financed by group debt of £6m and the issue of £46m share capital. The company incurred interest and exchange movements on its intercompany loans, resulting in a profit before tax of £0.8m (2014: £0.3m), and ended the year with net assets of £74.7m (2014: £4.4m) including cash of £0.7m (2014: £0.1m). The company's ongoing performance is expected to be in line with 2014-15.

Planned changes

No major changes are foreseen.

Expansion of the business

The company is expected to continue to operate as a holding company in connection with other Autogard and Rexnord entities.

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



E Saglik

Director

15 October 2015

AUTOGARD HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and financial statements for the year ended 31 March 2015.

Principal activities

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 £759,337 (2014 profit £325,239).

Future developments

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

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

W J Howgego

P M Whaley

E Saglik

(Appointed 28 August 2014)

E Blickley

(Resigned 28 August 2014)

M Peterson

(Resigned 29 October 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



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E Saglik

Director

15 October 2015

AUTOGARD HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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 AUDITOR'S REPORT TO THE MEMBERS OF AUTOGARD HOLDINGS LIMITED

We have audited the financial statements set out on pages 5 to 16. 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 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.

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 2015 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
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD
23rd October 2015

AUTOGARD HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 £	2014 £
Turnover	2	-	522,348
Administrative expenses		980,272	(500,093)
Operating profit		980,272	22,255
Investment income	3	212,264	302,984
Interest payable and similar charges	4	(394,507)	-
Profit on ordinary activities before taxation	5	798,029	325,239
Tax on profit on ordinary activities	6	(38,692)	-
Profit for the financial year	17	759,337	325,239

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 2015**

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	9		-		-
Investments	10	90,103,900			2
		<u>90,103,900</u>			<u>2</u>
Current assets					
Debtors: amounts falling due within one year	11	530,206	1,591,327		
Debtors: amounts falling due after more than one year	11	-	3,047,494		
Cash at bank and in hand		713,515	98,784		
		<u>1,243,721</u>	<u>4,737,605</u>		
Creditors: amounts falling due within one year	12	(14,428,045)	(109,010)		
Net current (liabilities)/assets		(13,184,324)		4,628,595	
Total assets less current liabilities		<u>76,919,576</u>		<u>4,628,597</u>	
Creditors: amounts falling due after more than one year	13	(2,227,129)		(188,600)	
Net assets		<u>74,692,447</u>		<u>4,439,997</u>	
Capital and reserves					
Called up share capital	16	69,493,235		122	
Share premium account	17	335,824		335,824	
Profit and loss account	17	4,863,388		4,104,051	
Shareholders' funds	18	<u>74,692,447</u>		<u>4,439,997</u>	

The financial statements on pages 5 to 16 were approved by the board of directors and authorised for issue on 15 October 15 and are signed on its behalf by:


E Saglik
Director

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies

Basis of accounting

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

Going concern

The company ended the year with net current liabilities. As an intermediate holding company its principal dealings are only with other group companies. Where liabilities exist with these other group companies the directors have no reason to believe that these companies will demand repayment unless funds exist to do so. The company has received a letter of support from the ultimate parent company, Rexnord Corporation, confirming the parent company will continue to support the company for at least twelve months from the expected date of signing of these financial statements. Accordingly the directors have prepared these financial statements on a going concern basis.

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.

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.

Pensions

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 2015

1 Accounting policies (Continued)

Foreign currency translation

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.

Group accounts

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.

Financial instruments

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

2 Turnover

Turnover is derived wholly from the provision of management services to the company's subsidiary undertakings. No (2014: 59.2%) turnover arose from undertakings outside the United Kingdom.

3	Investment income	2015 £	2014 £
	Income from shares in group undertakings	106,084	170,488
	Interest from group undertakings	106,180	132,496
		<u>212,264</u>	<u>302,984</u>
4	Interest payable and similar charges	2015 £	2014 £
	On amounts payable to group companies	313,844	-
	Other interest	80,663	-
		<u>394,507</u>	<u>-</u>

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

5	Profit on ordinary activities before taxation	2015 £	2014 £
	Profit on ordinary activities before taxation is stated after charging/ (crediting):		
	Depreciation of tangible fixed assets		
	- owned	-	12,327
	Exchange (gains)/losses on foreign currency borrowings	(1,189,679)	124
		<u> </u>	<u> </u>

Auditor's remuneration of £2,500 (2014: £1,700) was borne by another group company.

6	Tax on profit on ordinary activities	2015 £	2014 £
	Current tax		
	U.K. corporation tax	41,841	-
	Adjustment in respect of prior years	(378)	-
	Total current tax	<u>41,463</u>	<u>-</u>
	Deferred tax		
	Deferred tax	(2,771)	-
	Total tax on profit on ordinary activities	<u>38,692</u>	<u>-</u>

Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax (21%). The differences are explained below:

Profit on ordinary activities before taxation	798,029	325,239
	<u> </u>	<u> </u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2014 - 23.00%)	167,586	74,805
	<u> </u>	<u> </u>
Effects of:		
Expenses not deductible for tax purposes	1,284	93
Capital allowances (in excess of) / less than depreciation	(562)	2,085
Utilisation of tax losses and other deductions	-	(5,150)
Adjustments to tax charge in respect of previous periods	(378)	-
Group relief claimed	(104,226)	(32,968)
Group income	(22,278)	(39,212)
Other short term timing differences	37	347
	<u> </u>	<u> </u>
	(126,123)	(74,805)
	<u> </u>	<u> </u>
Current tax charge for the year	<u>41,463</u>	<u>-</u>

Factors that may affect future tax charges

The main rate of corporation tax has been reduced to 20% from 1 April 2015.

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

7 Employees

Number of employees

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

	2015 Number	2014 Number
Number of administrative staff	2	2

Employment costs

	2015 £	2014 £
Wages and salaries	175,035	159,526
Social security costs	21,696	19,953
Other pension costs	8,717	8,088
	<u>205,448</u>	<u>187,567</u>

8 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	104,596	100,707
Company contributions to money purchase pension schemes	5,050	4,899
	<u>109,646</u>	<u>105,606</u>

The number of directors to whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 - 1).

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

9 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Total £
Cost			
At 1 April 2014 & at 31 March 2015	115,980	147,871	263,851
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2014 & at 31 March 2015	115,980	147,871	263,851
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2015	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2014	-	-	-
	<hr/>	<hr/>	<hr/>

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

10 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 April 2014	2
Additions	90,103,898
	<hr/>
At 31 March 2015	90,103,900
	<hr/>
Net book value	
At 31 March 2015	90,103,900
	<hr/>
At 31 March 2014	2
	<hr/>

Additions reflect the acquisitions of Tollok S.p.A. and Euroflex Transmissions (India) Private Limited. Tollok S.p.A., a company incorporated in Italy, was acquired on 30 October 2014 for consideration of approximately £38m financed by intercompany loans of £15m and the issue of £23m share capital. Euroflex Transmissions (India) Private Limited, a company incorporated in India, was acquired on 7 January 2015 for consideration of approximately £52m financed by intercompany loans of £6m and the issue of £46m share capital.

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
Rexnord Tollok S.R.L.	Italy	Ordinary	100.00
Euroflex Transmissions (India) Private Limited	India	Ordinary	100.00

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

10 Fixed asset investments (Continued)

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 2015 £	Profit/(loss) for the year 2015 £
	Principal activity		
British Autogard Limited	Manufacture, distribution and sale of power transmission products	1,283,695	848,096
Autogard Asia Pacific Pty Ltd	Manufacture, distribution and sale of power transmission products	611,000	171,000
Rexnord Tollok S.R.L.	Manufacture, distribution and sale of power transmission products	20,781,000	4,916,000
Euroflex Transmissions (India) Private Limited	Manufacture, distribution and sale of power transmission products	5,932,000	3,780,000

In addition to the above, the former subsidiary Autogard Italia S.R.L. was liquidated in June 2014 and the former subsidiary Autogard Kupplungen Vertriebs GmbH is now in liquidation.

11 Debtors

	2015 £	2014 £
Amounts owed by group undertakings	520,945	4,591,608
Corporation tax	-	17,723
Other debtors	6,490	6,490
Prepayments and accrued income	-	23,000
Deferred tax asset (see note 14)	2,771	-
	<u>530,206</u>	<u>4,638,821</u>

Amounts falling due after more than one year and included in the debtors above are:

	2015 £	2014 £
Amounts owed by group undertakings	-	3,047,494

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

12 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	-	775
Amounts owed to group undertakings	13,803,076	-
Corporation tax	41,841	-
Other taxation and social security costs	6,952	5,328
Other creditors	507,991	1,507
Accruals and deferred income	68,185	101,400
	<u>14,428,045</u>	<u>109,010</u>

Amounts owed to group undertakings comprise a loan (including accrued interest) repayable on 31 August 2015. The loan bears interest at 3m EURIBOR +25bps + 4.00%.

Other creditors falling due within one year include £506,314 (2014: £nil) deferred consideration relating to the acquisition of Tollok S.p.A.

13 Creditors: amounts falling due after more than one year	2015 £	2014 £
Other creditors	2,013,249	-
Amounts owed to group undertakings	213,880	188,600
	<u>2,227,129</u>	<u>188,600</u>

Included in the above are the following:

Analysis of debt maturity

Amounts payable:

In more than two years but not more than five years	188,600	188,600
	<u>188,600</u>	<u>188,600</u>

Other creditors falling due after more than one year comprise deferred consideration relating to the acquisition of Tollok S.p.A.

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

14 Provisions for liabilities

The deferred tax asset (included in debtors, note 11) is made up as follows:

	£
Balance at 1 April 2014	-
Profit and loss account	(2,771)
Balance at 31 March 2015	(2,771)

	2015 £	2014 £
(Decelerated)/accelerated capital allowances	(2,436)	-
Other timing differences	(335)	-
	(2,771)	-

15 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. Contributions of £1,677 (2014: £1,507) were unpaid at the year end and are included in other creditors.

	2015 £	2014 £
Contributions payable by the company for the year	8,717	8,088

16 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
69,493,235 Ordinary shares of £1 each	69,493,235	122

23,500,000 Ordinary shares of £1 each were issued at par on 30 October 2014 in connection with the company's acquisition of its subsidiary Tollok S.p.A. 45,993,113 Ordinary shares of £1 each were issued at par on 7 January 2015 in connection with the company's acquisition of its subsidiary Euroflex Transmissions (India) Private Limited.

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

17 Reserves

	Share premium account £	Profit and loss account £
Balance at 1 April 2014	335,824	4,104,051
Profit for the year	-	759,337
Balance at 31 March 2015	335,824	4,863,388

18 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the financial year	759,337	325,239
Proceeds from issue of shares	69,493,113	-
Net addition to shareholders' funds	70,252,450	325,239
Opening shareholders' funds	4,439,997	4,114,758
Closing shareholders' funds	74,692,447	4,439,997

19 Related party relationships and 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.

20 Ultimate 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.