

Company Registration No. 04421929 (England and Wales)

AUTOGARD HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2018

WEDNESDAY



A7IOX7YT

A08

14/11/2018

#163

COMPANIES HOUSE

AUTOGARD HOLDINGS LIMITED

COMPANY INFORMATION

Directors	D J Klun M C Waddell
Secretary	J S Greving
Company number	04421929
Registered office	c/o Curtis, Mallet-Prevost, Colt & Mosle LLP 99 Gresham Street London England EC2V 7NG
Auditor	RSM UK Audit LLP Chartered Accountants 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 2018

The directors present the strategic report for the year ended 31 March 2018.

Review of the business

During the year, in connection with a group reorganisation and refinancing, the company sold its investment in its subsidiary Euroflex Transmissions (India) Private Limited to a fellow subsidiary and reduced its share capital by £41.8m. Additionally, the company's subsidiary Autogard Asia Pacific Pty Ltd was wound up and the company received a return of capital and final dividend. Further details are given in notes 9 and 14. The company also received other dividends of £6.7m from its subsidiaries and continued to incur interest and exchange movements on its intercompany loans. The company ended the year with net assets of £25.8m (2017 - £78.3m).

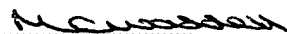
Key performance indicators

Given the nature of the company's activities, which are limited to administrative expenses incurred as a holding company and transactions with other group companies in connection with intercompany loans, an analysis using key performance indicators is not considered necessary for an understanding of the performance and financial position of the company.

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 risks and uncertainties other than in relation to its investments in subsidiaries and its intercompany loans.

On behalf of the board



M C Waddell

Director

Date: 2/4/18

AUTOGARD HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

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.

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	(Resigned 1 January 2018)
P M Whaley	(Resigned 5 June 2017)
E Saglik	(Resigned 5 June 2017)
D J Klun	(Appointed 5 June 2017)
M C Waddell	(Appointed 2 January 2018)

Results and dividends

The results for the year are set out on page 6. Ordinary dividends were paid amounting to £12,000,000. The directors do not recommend payment of a further dividend.

Directors' insurance

The group of which the company is a member maintains professional indemnity insurance covering directors, officers and senior managerial staff.

Future developments

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

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office. A resolution to reappoint RSM UK Audit LLP as auditor will be proposed at the annual general meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



M C Waddell

Director

Date: 9/11/18

AUTOGARD HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

The directors are responsible for preparing the Strategic Report and the 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;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF AUTOGARD HOLDINGS LIMITED

Opinion

We have audited the financial statements of Autogard Holdings Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 FRS 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 2018 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's 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

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF AUTOGARD HOLDINGS LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the 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 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, 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's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

Thomas Morgan

Thomas Morgan (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants

Hartwell House
55-61 Victoria Street
Bristol

BS1 6AD

9 November 2018

AUTOGARD HOLDINGS LIMITED


STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Administrative expenses		(1,540,160)	(876,156)
Income from shares in group undertakings		6,749,019	4,388,676
Interest payable to group undertakings		(1,404,704)	(56,401)
Impairment of investment in subsidiary		-	(13,002,023)
Loss on disposal of subsidiary	9	(2,457,494)	-
Fair value gains and losses on foreign exchange contracts		9,416	-
Profit/(loss) before taxation	5	1,356,077	(9,545,904)
Tax on profit/(loss)	6	712	(71,043)
Profit/(loss) for the financial year		1,356,789	(9,616,947)

AUTOGARD HOLDINGS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	8		1,044		2,054
Investments	9		39,898,666		78,131,206
			<u>39,899,710</u>		<u>78,133,260</u>
Current assets					
Debtors	10	2,473,031		311,578	
Cash at bank and in hand		151,072		4,878,083	
		<u>2,624,103</u>		<u>5,189,661</u>	
Creditors: amounts falling due within one year	11	(332,756)		(151,570)	
Net current assets			<u>2,291,347</u>		<u>5,038,091</u>
Total assets less current liabilities			<u>42,191,057</u>		<u>83,171,351</u>
Creditors: amounts falling due after more than one year	12		(16,346,280)		(4,900,296)
Net assets			<u>25,844,777</u>		<u>78,271,055</u>
Capital and reserves					
Called up share capital	14	27,710,168		69,493,235	
Share premium account	15	335,824		335,824	
Profit and loss reserves	15	(2,201,215)		8,441,996	
Total equity			<u>25,844,777</u>		<u>78,271,055</u>

The financial statements were approved by the board of directors and authorised for issue on 9/11/18 and are signed on its behalf by:


M C Waddell
Director

AUTOGARD HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2016		69,493,235	335,824	18,058,943	87,888,002
Year ended 31 March 2017:					
Loss and total comprehensive income for the year		-	-	(9,616,947)	(9,616,947)
Balance at 31 March 2017		69,493,235	335,824	8,441,996	78,271,055
Year ended 31 March 2018:					
Profit and total comprehensive income for the year		-	-	1,356,789	1,356,789
Dividends	7	-	-	(12,000,000)	(12,000,000)
Reduction of shares	14	(41,783,067)	-	-	(41,783,067)
Balance at 31 March 2018		27,710,168	335,824	(2,201,215)	25,844,777

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Autogard Holdings Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is c/o Curtis, Mallet-Prevost, Colt & Mosle LLP, 99 Gresham Street, London, England, EC2V 7NG.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Reduced disclosures

The company is a qualifying entity under the FRS 102 Reduced Disclosure Framework and has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values, details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Rexnord Corporation, incorporated in the USA. The consolidated financial statements of Rexnord Corporation are filed at Companies House together with the financial statements of the company's parent, Rexnord Industries (UK) Limited, and can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

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 USA, and is included in the consolidated accounts of that company.

Going concern

The company ended the year with net current assets. As an intermediate holding company its principal dealings are only with other group companies. Where liabilities exist with these other group companies, they are covered by loan agreements and repayments are made according to an agreed schedule. Taking these factors into account, in the opinion of the directors, the company has sufficient resources to continue in existence for a period of 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.

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured 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
Computer equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

Fixed asset investments, reflecting investments in subsidiaries, are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Basic financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, 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. Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income or equity.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are not taxable or deductible, or that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Retirement benefits

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.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In the opinion of the directors, there are no estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities other than in relation to the company's investments in subsidiaries.

Carrying value of investments in subsidiaries

The directors consider the carrying value of the company's investments in subsidiaries on an annual basis, taking into account the subsidiaries' results for the year, financial position at the reporting date, and expectations of future profitability. Where evidence of impairment exists, the carrying value is adjusted accordingly.

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Number of administrative staff	4	3

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	271,785	256,711
Social security costs	36,705	33,514
Pension costs	11,391	10,537
	<u>319,881</u>	<u>300,762</u>

4 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	109,065	120,717
Company pension contributions to defined contribution schemes	5,612	5,258
	<u>114,677</u>	<u>125,975</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 1).

5 Profit before taxation

	2018 £	2017 £
Profit before taxation is stated after charging:		
Exchange losses	1,141,408	524,139
Depreciation of owned tangible fixed assets	1,010	849
Operating lease charges	4,323	7,410

Auditor's remuneration of £3,750 (2017 - £2,750) for audit services, £2,180 (2017 - £2,075) for tax compliance services and £1,850 (2017 - £1,425) for other services was borne by another group company.

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

6 Taxation

	2018 £	2017 £
Current tax		
Adjustments in respect of prior periods	(712)	-
Deferred tax		
Origination and reversal of timing differences	-	67,097
Changes in tax rates	-	3,946
Total deferred tax	-	71,043
Total tax (credit)/charge	(712)	71,043

The total tax (credit)/charge for the year included in the income statement can be reconciled to the profit/(loss) before tax multiplied by the standard rate of tax as follows:

	2018 £	2017 £
Profit/(loss) before taxation	1,356,077	(9,545,904)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	257,655	(1,909,181)
Tax effect of expenses that are not deductible in determining taxable profit	473,561	2,600,495
Tax effect of income not taxable in determining taxable profit	(1,282,433)	(877,735)
Change in unrecognised deferred tax assets	324,117	262,451
Adjustments in respect of prior years	(712)	-
Group relief	118,067	-
Deferred tax adjustments in respect of prior years	63,439	-
Adjust deferred tax to reconciliation rate	45,594	38,421
Other tax adjustments	-	(43,408)
Taxation (credit)/charge for the year	(712)	71,043

Current tax has been increased by the surrender of £621,404 (2017 - £nil) losses under a group relief scheme. No payment has been made in respect of these amounts.

The company has an unrecognised deferred tax asset of £548,150 (2017 - £224,199) in respect of tax losses and other deductions. The deferred tax asset has not been recognised due to uncertainty over the timing of future profits against which the losses could be relieved.

Factors that may affect future tax charges

The main rate of corporation tax will be reduced to 17% from 1 April 2020.

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

7 Dividends

	2018 £	2017 £
Final paid	12,000,000	-

In June 2017, the company paid a dividend of £12m to its shareholder. At the time the dividend was paid, using management accounts as 'relevant accounts' for the purposes of the distribution, the directors believed the company had sufficient distributable reserves to pay that dividend. Subsequent events, in particular the finalisation of an impairment charge and loss recognised on disposal of the company's subsidiary, Euroflex Transmissions (India) Private Limited, mean the company has ended the year with negative reserves of £1.6m. The directors are satisfied with the legality of the dividend at the time, and therefore do not intend to call for the shareholder to repay any part of the dividend. After the year end, on 13 June 2018, the directors reduced the company's share capital by £3,558,004 to re-establish the distributable reserves of the company (see note 14).

8 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Computer equipment £	Total £
Cost				
At 1 April 2017 and 31 March 2018	115,980	147,871	3,031	266,882
Depreciation and impairment				
At 1 April 2017	115,980	147,871	977	264,828
Depreciation charged in the year	-	-	1,010	1,010
At 31 March 2018	115,980	147,871	1,987	265,838
Carrying amount				
At 31 March 2018	-	-	1,044	1,044
At 31 March 2017	-	-	2,054	2,054

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

9 Fixed asset investments

	2018 £	2017 £
Investments in subsidiaries	39,898,666	78,131,206

At the reporting date, investments in subsidiaries reflect the company's interests in the entire issued ordinary share capital of Rexnord Tollok S.R.L. and British Autogard Limited. The principal activity of these companies is the manufacture, distribution and sale of power transmission products.

Rexnord Tollok S.R.L. is incorporated in Italy. Its registered office is Viale Adriatico, 9, 44020 Masi Torello (Ferrara), Italy.

British Autogard Limited is incorporated in the United Kingdom and registered in England and Wales. Its registered office is c/o Curtis, Mallet-Prevost, Colt & Mosle LLP, 99 Gresham Street, London EC2V 7NG.

Disposals of subsidiaries

During the year, the company disposed of its entire interest in its former subsidiary, Euroflex Transmissions (India) Private Limited, to a fellow subsidiary in the group headed by Rexnord Corporation. Consideration for the disposal was £35.7m, giving rise to a loss on disposal of £2.5m. Euroflex Transmissions (India) Private Limited is incorporated in India. Its registered office is Plot No.99, C.I.E. Phase II, Gandhinagar, Balanagar, Hyderabad - 500037, Telangana, India.

Also during the year, the company's former subsidiary Autogard Asia Pacific Pty Ltd was wound up. On wind-up, the company received a return of capital equal to the carrying value of its investment, and a final dividend which has been included in income from shares in group undertakings. Autogard Asia Pacific Pty Ltd was incorporated in Australia and its registered office was Unit 1, 24 Canterbury Road, Braeside VIC 3195, Melbourne, Australia.

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2017	78,131,206
Disposals	(38,232,540)
At 31 March 2018	39,898,666
Carrying amount	
At 31 March 2018	39,898,666
At 31 March 2017	78,131,206

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

10 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Corporation tax recoverable	-	41,841
Amounts owed by group undertakings	2,311,948	132,500
Derivative financial instruments	9,416	-
Other debtors	6,490	6,490
Prepayments and accrued income	145,177	130,747
	<u>2,473,031</u>	<u>311,578</u>

Derivative financial instruments reflect forward foreign exchange contracts and are measured at fair value through profit or loss.

11 Creditors: amounts falling due within one year

	2018	2017
	£	£
Amounts due to group undertakings	231,035	78,461
Other taxation and social security	11,583	8,350
Other creditors	4,455	1,836
Accruals and deferred income	85,683	62,923
	<u>332,756</u>	<u>151,570</u>

12 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Amounts due to group undertakings	<u>16,346,280</u>	<u>4,900,296</u>

Amounts due to group undertakings reflect loans from fellow subsidiary undertakings. The loans bear interest at 3%, payable quarterly in arrears, and are due for repayment in 2022.

13 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>11,391</u>	<u>10,537</u>

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. At the year end, contributions of £3,274 (2017 - £1,836) were outstanding and are included in other creditors.

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

14 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
27,710,168 (2017 - 69,493,235) Ordinary shares of £1 each	27,710,168	69,493,235
	<u>27,710,168</u>	<u>69,493,235</u>

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

Reconciliation of movements during the year:

	Number
At 1 April 2017	69,493,235
Reduction in share capital	(41,783,067)
At 31 March 2018	<u>27,710,168</u>

On 9 June 2017 the share capital of the company was reduced from £69,493,235 to £43,493,235 by cancelling and extinguishing 26,000,000 of the ordinary shares then in issue. On 1 December 2017 the share capital of the company was further reduced to £34,293,235 by cancelling and extinguishing a further 9,200,000 of the ordinary shares then in issue. Finally, on 30 January 2018, the share capital of the company was further reduced to £27,710,168 by cancelling and extinguishing a further 6,583,067 of the ordinary shares then in issue. These reductions in share capital were made in connection with a refinancing of the company and other group companies.

After the year end, on 13 June 2018, the share capital of the company was further reduced to £24,152,164 by cancelling and extinguishing a further 3,558,004 of the ordinary shares then in issue. This reduction in share capital was made to re-establish the company's distributable reserves following the dividend referred to in note 7.

15 Reserves

Share premium

The share premium account reflects consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves

Profit and loss reserves reflect cumulative profit and losses net of distributions to members.

AUTOGARD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

16 Operating lease commitments

Lessee

Operating lease charges reflects rentals paid for company vehicles.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£	£
Within one year	-	4,323
	<u> </u>	<u> </u>

17 Related party transactions

The company has taken advantage of the exemption in Section 33 of FRS 102 and has not disclosed details of transactions with other wholly-owned entities in the group headed by Rexnord Corporation.

18 Controlling party

The immediate parent company is Rexnord Industries (UK) Limited, a company incorporated in the United Kingdom and registered in England and Wales. The ultimate parent company is Rexnord Corporation, a company incorporated in the USA. Rexnord Corporation heads the largest and smallest group in which the results of the company are consolidated. The consolidated financial statements of Rexnord Corporation are filed at Companies House together with the financial statements of the company, and can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

In the opinion of the directors there is no overall controlling party.