

---

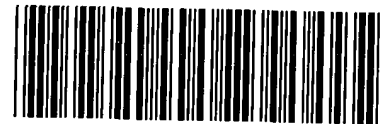
**FMG REPAIR SERVICES LIMITED**

---

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2021**

FRIDAY



\*AAW5UCRD\*

A05

21/01/2022

#292

COMPANIES HOUSE

---

**FMG REPAIR SERVICES LIMITED**

---

**COMPANY INFORMATION**

---

<b>Directors</b>	JM Tripp M Ward PH Stead PJ Vincent
<b>Company secretary</b>	NP Tilley
<b>Registered number</b>	05120241
<b>Registered office</b>	Pinesgate Lower Bristol Road Bath BA2 3DP

---

**FMG REPAIR SERVICES LIMITED**

---

**CONTENTS**

---

	<b>Pages</b>
<b>Directors' report</b>	<b>1 - 2</b>
<b>Directors' responsibilities statement</b>	<b>3</b>
<b>Independent auditors' report</b>	<b>4 - 7</b>
<b>Statement of comprehensive income</b>	<b>8</b>
<b>Balance sheet</b>	<b>9</b>
<b>Statement of changes in equity</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11 - 28</b>

---

## FMG REPAIR SERVICES LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2021

---

The Directors present their report and the audited financial statements for the year ended 30 April 2021 (2020: 10 month period ended 30 April 2020).

#### Principal activities

The principal activities of the company in the year under review were the repair of vehicles.

#### Business review

On 4 September 2020 the company acquired certain businesses and certain assets of Nationwide Accident Repair Services ("Nationwide") by way of a purchase from administrators, for an initial cash consideration of up to £11m plus a deferred consideration of up to £5m conditional on retention of certain trade business on satisfactory terms.

The company changed its name from Runmycar Limited to FMG Repair Services Limited on 15 January 2021.

#### Directors

The Directors of the Company who were in office during the year and up to the date of signing of the financial statements were:

JM Tripp  
M Ward  
PH Stead  
PJ Vincent

#### Engagement with employees

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through informal and formal meetings, as well as the intranet site of the Company. Employees of the Company are entitled to participate in the Redde Northgate plc SAYE Share Scheme, details of which are shown in the Annual Report and Financial Statements of that Company.

#### Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### Going concern

The Directors have prepared the financial statements on a going concern basis. Further information on the going concern is included in note 2.3 to the financial statements.

---

**FMG REPAIR SERVICES LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2021**

---

**Disclosure of information to auditors**

In the case of each Director in office at the date the directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Independent auditors**

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as independent auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

**Small companies note**

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 14 January 2022 and signed on its behalf.



PJ Vincent  
Director

---

## **FMG REPAIR SERVICES LIMITED**

---

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 APRIL 2021**

---

The Directors are responsible for preparing 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

---

## FMG REPAIR SERVICES LIMITED

---

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FMG REPAIR SERVICES LIMITED

---

## Report on the audit of the financial statements

### Opinion

In our opinion, FMG Repair Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: Balance sheet as at 30 April 2021; Statement of comprehensive income and Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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 financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

---

## **FMG REPAIR SERVICES LIMITED**

---

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FMG REPAIR SERVICES LIMITED**

---

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### **Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 30 April 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

##### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.



---

## FMG REPAIR SERVICES LIMITED

---

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FMG REPAIR SERVICES LIMITED

---

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate revenue and financial performance and management bias included within accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Review of board minutes and discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's controls designed to prevent and detect fraudulent financial reporting; and
- Assessing management's significant judgements and estimates in particular to those relating to the determination of claims due from insurance companies and self-insuring organisations and the judgements and estimates used in respect of the company's COVID-19 assessment.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

---

**FMG REPAIR SERVICES LIMITED**

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FMG REPAIR SERVICES LIMITED**

---

**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' report and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Colin Bates (Senior statutory auditor)  
for and on behalf of **PricewaterhouseCoopers LLP**  
Chartered Accountants and Statutory Auditors  
Bristol  
17 January 2022

---

**FMG REPAIR SERVICES LIMITED**

---

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 APRIL 2021**

---

		Year ended 30 April 2021 £000	10 months ended 30 April 2020 £000
	Note		
Turnover		88,646	33
Cost of sales		(62,413)	-
<b>Gross profit</b>		<b>26,233</b>	<b>33</b>
Administrative expenses		(46,677)	(3)
Other operating income	4	7,751	-
Negative goodwill	17	1,489	-
<b>Operating (loss)/profit</b>		<b>(11,204)</b>	<b>30</b>
Interest payable and similar expenses		(88)	(4)
<b>(Loss)/profit before tax</b>		<b>(11,292)</b>	<b>26</b>
Tax on (loss)/profit	7	97	(5)
<b>(Loss)/profit for the financial year</b>		<b>(11,195)</b>	<b>21</b>

There was no other comprehensive income for 2021 (2020:£000NIL).

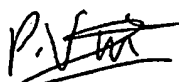
**FMG REPAIR SERVICES LIMITED**  
**REGISTERED NUMBER: 05120241**

**BALANCE SHEET**  
**AS AT 30 APRIL 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Intangible assets	8	3,103	-
Tangible assets	9	25,303	-
		<u>28,406</u>	<u>-</u>
<b>Current assets</b>			
Inventories	10	1,405	-
Debtors: amounts falling due within one year	11	22,505	-
Cash at bank and in hand	12	444	-
		<u>24,354</u>	<u>-</u>
Creditors: amounts falling due within one year	13	(48,847)	(115)
<b>Net current liabilities</b>		<u>(24,493)</u>	<u>(115)</u>
<b>Total assets less current liabilities</b>		<u>3,913</u>	<u>(115)</u>
Creditors: amounts falling due after more than one year	14	(15,044)	-
<b>Provisions for liabilities</b>			
Deferred taxation	16	(179)	-
<b>Net liabilities</b>		<u>(11,310)</u>	<u>(115)</u>
<b>Capital and reserves</b>			
Called up share capital		-	-
Profit and loss account		(11,310)	(115)
<b>Total shareholders' deficit</b>		<u>(11,310)</u>	<u>(115)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 8 to 28 were approved and authorised for issue by the board and were signed on its behalf on 14 January 2022.



PJ Vincent  
Director

The notes on pages 11 to 28 form part of these financial statements.

---

**FMG REPAIR SERVICES LIMITED**

---

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 APRIL 2021**

---

	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
<b>At 1 July 2019</b>	-	(136)	(136)
Profit for the period	-	21	21
<b>At 30 April and 1 May 2020</b>	-	(115)	(115)
Loss for the year	-	(11,195)	(11,195)
<b>At 30 April 2021</b>	-	(11,310)	(11,310)

---

## FMG REPAIR SERVICES LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

---

#### 1. General information

FMG Repair Services Limited (the "Company") is a private company limited by shares incorporated and domiciled in the United Kingdom and registered in England and Wales under the Companies Act 2006.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been consistently applied:

##### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

---

## FMG REPAIR SERVICES LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

---

## 2. Accounting policies (continued)

### 2.3 Going concern

The Directors have reviewed the Group's forecasts and projections taking account of reasonably possible downside sensitivities. The Company relies upon the support of its ultimate parent company, Redde Northgate plc, and the going concern status of the Company is dependent upon the ongoing support of its parent.

The ultimate parent company has confirmed that it will provide sufficient financial support to enable the Company to meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of the financial statements. The Directors have considered this letter of support, have made enquiries of Group management and have concluded that the Company is a going concern. On this basis, the Directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

#### Sale of goods

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

### 2.5 Leases

For any new contracts entered into, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract

---

## FMG REPAIR SERVICES LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

---

#### 2. Accounting policies (continued)

##### 2.5 Leases (continued)

- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

##### **Measurement and recognition of leases as a lessee**

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in insubstance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

##### 2.6 Government grants

Government grants are recognised when there is reasonable assurance that the company will comply with the conditions attached, and that the grant will be received. Government grants are recognised in the income statement on a systematic basis over the period in which the related costs, which they are intended to compensate, are recognised as expenses.

During the year, the Company have utilised the Coronavirus Job Retention Scheme, in which the Government reimbursed 80% of the wages of certain employees who were asked to stop working ('furloughed') during COVID-19, but who were retained as employees. These grants have been recognised in other operating income.



---

## FMG REPAIR SERVICES LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

---

## 2. Accounting policies (continued)

### 2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 2.8 Pensions

#### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

### 2.9 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

---

## FMG REPAIR SERVICES LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

---

#### 2. Accounting policies (continued)

##### 2.10 Goodwill

Goodwill represents amounts arising from business combinations and is the difference between the fair value of consideration of the acquisition and the fair value of the net identifiable assets and liabilities acquired.

Goodwill is stated at cost less any accumulated impairment losses identified through annual or other tests for impairment. Any impairment is recognised immediately in the income statement and is not subsequently reversed. Where the fair value of consideration is less than the fair value of the net identifiable assets and liabilities acquired this gain on bargain purchase is recognised immediately in the income statement.

##### 2.11 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange for control of the acquiree. Acquisition related costs are recognised in the income statement as incurred.

At the acquisition date, the provisional identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively; and
- hindsight adjustments to the provisional identifiable assets acquired and the liabilities assumed are recognised within 12 months from the date of acquisition if necessary.

##### 2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives range as follows:

Brand	-	3	years
Customer relationships	-	10	years
Computer software	-	5	years

##### 2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

---

## FMG REPAIR SERVICES LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

---

## 2. Accounting policies (continued)

### 2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 50 years
Long-term leasehold property	- Over the term of the lease
Motor vehicles	- Depreciated to write down the cost of the vehicles to their estimated residual value over the expected holding period which is typically between 12 and 24 months.
Fixtures and fittings	- 15% - 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

### 2.14 Inventories

Inventories comprise spare parts and consumables and are stated at the lower of cost and net realisable value.

### 2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 2.17 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

---

## FMG REPAIR SERVICES LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

---

#### 2. Accounting policies (continued)

##### 2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

##### 2.19 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

###### Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

###### Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

###### Financial liabilities

###### At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

##### 2.20 Financial risk management

Financial risk is managed by Redde Northgate Group treasury and is discussed on page 38 of the Redde Northgate plc annual report, which does not form part of this report.

---

## FMG REPAIR SERVICES LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

---

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies described above, the directors are required to make judgments, estimates and assumptions about the carrying value 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The company believes that key source of estimation uncertainty affecting the company's financial statements relates to the recognition of work in progress in relation to credit repair revenue, in particular the choice of cut off point where revenue recognised is based on a reasonable estimate of the cost and stage of completion of the repair services at the reporting date.

#### Business combinations

On 4 September 2020 the Company acquired certain businesses and assets of Nationwide Accident Repair Services by way of a purchase from administrators. A provisional purchase price allocation exercise has been undertaken in accordance with IFRS 3 'Business Combinations'. A valuation expert was used in the identification and valuation of the intangible assets.

#### 4. Other operating income

	Year ended 30 April 2021 £000	10 months ended 30 April 2020 £000
Government grants	7,751	-
	<u>7,751</u>	<u>-</u>

#### 5. Auditors' remuneration

Auditors' remuneration in respect of the audit of the company financial statements of £56,000 (2020: £1,000) was borne by a fellow subsidiary company without any right of reimbursement. The auditors undertook no non-audit services in the current year or prior period.

---

**FMG REPAIR SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2021**

---

**6. Employees**

The average monthly number of employees, including the Directors, during the year was as follows:

	Year ended 30 April 2021 No.	10 months ended 30 April 2020 No.
Direct operations	1,695	-
Administration	203	-
	<u>1,898</u>	<u>0</u>

**7. Taxation**

	Year ended 30 April 2021 £000	10 months ended 30 April 2020 £000
<b>Corporation tax</b>		
Current tax on (losses)/profits for the year	-	5
<b>Total current tax</b>	<u>-</u>	<u>5</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(97)	-
<b>Total deferred tax</b>	<u>(97)</u>	<u>-</u>
<b>Taxation on (loss)/profit</b>	<u>(97)</u>	<u>5</u>

---

FMG REPAIR SERVICES LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2021

---

7. Taxation (continued)

Factors affecting tax (credit)/charge for the year/period

The tax assessed for the year/period is higher than (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	Year ended 30 April 2021 £000	10 months ended 30 April 2020 £000
(Loss)/profit before tax	(11,292)	26
(Loss)/profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(2,145)	5
Effects of:		
Income not deductible for tax purposes	(185)	-
Group relief surrendered	2,233	-
Total tax (credit)/charge for the year/period	(97)	5

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the UK corporation tax rate will increase to 25%. At the balance sheet date, the proposal to increase the rate to 25% had not been substantively enacted, therefore this has not been reflected in tax balances for the year ended 30 April 2021.

---

**FMG REPAIR SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2021**

---

**8. Intangible assets**

	Brand £000	Customer relationship £000	Computer software £000	Total £000
<b>Cost</b>				
At 1 May 2020	-	-	-	-
Additions - external	450	1,000	2,100	3,550
At 30 April 2021	450	1,000	2,100	3,550
<b>Amortisation</b>				
At 1 May 2020	-	-	-	-
Charge for the year on owned assets	100	67	280	447
At 30 April 2021	100	67	280	447
<b>Net book value</b>				
At 30 April 2021	350	933	1,820	3,103
At 30 April 2020	-	-	-	-

Amortisation is included within administrative expenses in the statement of comprehensive income.



**FMG REPAIR SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2021**

**9. Tangible fixed assets**

	Freehold property £000	Long-term leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
<b>Cost or valuation</b>					
Additions	7,069	16,275	1,023	3,035	27,402
Disposals	(314)	-	(93)	(16)	(423)
At 30 April 2021	6,755	16,275	930	3,019	26,979
<b>Depreciation</b>					
Charge for the year on owned assets	65	-	28	884	977
Charge for the year on right- of-use assets	-	327	400	-	727
Disposals	(1)	-	(23)	(4)	(28)
At 30 April 2021	64	327	405	880	1,676
<b>Net book value</b>					
At 30 April 2021	6,691	15,948	525	2,139	25,303
At 30 April 2020	-	-	-	-	-

The net book value of land and buildings may be further analysed as follows:

	2021 £000	2020 £000
Freehold	6,691	-
Long leasehold	15,948	-
	22,639	-

---

**FMG REPAIR SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2021**

---

**9. Tangible fixed assets (continued)**

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance sheet is as follows:

	<b>2021 £000</b>
Tangible fixed assets owned	<b>8,849</b>
Right-of-use tangible fixed assets	<b>16,454</b>
	<b>25,303</b>

Information about right-of-use assets is summarised below:

**Net book value**

	<b>2021 £000</b>	<b>2020 £000</b>
Property	<b>15,948</b>	-
Motor vehicles	<b>506</b>	-
	<b>16,454</b>	-

**Depreciation charge for the year ended**

	<b>2021 £000</b>	<b>2020 £000</b>
Property	<b>327</b>	-
Motor vehicles	<b>400</b>	-
	<b>727</b>	-

**Additions to right-of-use assets**

	<b>2021 £000</b>
Additions to right-of-use assets	<b>17,181</b>

---

**FMG REPAIR SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2021**

---

**10. Inventories**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Raw materials and consumables	<b>577</b>	-
Work in progress	<b>828</b>	-
	<b>1,405</b>	-

**11. Debtors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	<b>17,782</b>	-
Amounts owed by group undertakings	<b>651</b>	-
Prepayments and accrued income	<b>4,072</b>	-
	<b>22,505</b>	-

Amounts owed by Group companies are repayable on demand.

**12. Cash at bank and in hand**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<b>444</b>	-
	<b>444</b>	-

---

**FMG REPAIR SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2021**

---

**13. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	<b>9,777</b>	-
Amounts owed to group undertakings	<b>27,379</b>	111
Corporation tax	<b>5</b>	4
Other taxation and social security	<b>2,442</b>	-
Lease liabilities	<b>1,494</b>	-
Accruals and deferred income	<b>7,750</b>	-
	<b>48,847</b>	<b>115</b>

Amounts owed to group undertakings are repayable on demand, unsecured and non-interest bearing. In the prior period a loan owed to a group undertaking totalled £111,000 at 30 April 2020 and bore interest at a fixed rate of 2.75%.

**14. Creditors: Amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Lease liabilities	<b>15,044</b>	-
	<b>15,044</b>	-

---

**FMG REPAIR SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2021**

---

**15. Leases**

**Company as a lessee**

Lease liabilities are due as follows:

	<b>2021 £000</b>	<b>2020 £000</b>
Not later than one year	<b>1,494</b>	-
Between one year and five years	<b>6,045</b>	-
Later than five years	<b>8,999</b>	-
	<b>16,538</b>	-

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	<b>2021 £000</b>	<b>2020 £000</b>
Interest expense on lease liabilities	<b>88</b>	-

**16. Deferred taxation**

	<b>2021 £000</b>
Credited to profit or loss	<b>97</b>
Arising on business combinations	<b>(276)</b>
<b>At end of year</b>	<b>(179)</b>

The deferred taxation balance is made up as follows:

	<b>2021 £000</b>	<b>2020 £000</b>
Accelerated capital allowances	<b>65</b>	-
Recognition of intangibles	<b>(244)</b>	-
	<b>(179)</b>	-

---

**FMG REPAIR SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2021**

---

**17. Business combinations**

**Acquisition of certain businesses and assets of Nationwide Accident Repair Services**

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	Fair value £000
<b>Fixed Assets</b>	
Tangible	9,945
Intangible	3,550
	<u>13,495</u>
<b>Current Assets</b>	
Stocks	3,487
	<u>16,982</u>
<b>Total Assets</b>	
<b>Creditors</b>	
Due within one year	(4,104)
Deferred taxation	(276)
	<u>12,602</u>
<b>Total identifiable net assets</b>	<u>11,113</u>
Negative goodwill	(1,489)
<b>Total purchase consideration</b>	<u>11,113</u>
<b>Consideration</b>	
	£000
Cash	10,823
Deferred consideration	290
<b>Total purchase consideration</b>	<u>11,113</u>
<b>Cash outflow on acquisition</b>	
	£000
Purchase consideration settled in cash, as above	<u>10,823</u>

---

**FMG REPAIR SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2021**

---

**17. Business combinations (continued)**

The results of certain businesses and assets of Nationwide Accident Repair Services since acquisition are as follows:

	<b>Current period since acquisition £000</b>
Turnover	<b>88,646</b>
(Loss) for the period since acquisition	<b>(11,195)</b>

**Contingent consideration**

The contingent consideration arrangement requires the Company to pay up to £5m dependent on volumes of certain repair cases, in the 12 months following the date of acquisition.

The fair value of the contingent consideration arrangement of £290,000 was estimated using the scenario-based method. The estimates are based on probability adjusted likelihood of certain repair case volumes being achieved. The liability is presented within trade and other payables in the balance sheet.

**18. Controlling party**

The company's immediate parent company is Redde Ltd, a company incorporated in the UK.

The company's ultimate controlling party is Redde Northgate plc, a company incorporated in the UK, who is both the smallest and the largest group for which Group financial statements are prepared. The financial statements of the group are publically available and may be obtained from the Company Secretary, Northgate Centre, Lingfield Way, Darlington, England, DL1 4PZ.