

Company Registration No. 06574030 (England and Wales)

AUTOGUARD WARRANTIES LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021

PAGES FOR FILING WITH REGISTRAR

Approved for filing on behalf of the company

**The Granary
Hones Yard
1 Waverley Lane
Farnham
Surrey
GU9 8BB**

AUTOGUARD WARRANTIES LTD

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AUTOGUARD WARRANTIES LTD

COMPANY INFORMATION

Directors	Mr R. G. Lailey Mr D. L. Robinson Mr R. J. Dockerill Mr A. May-Khalil	(Appointed 1 November 2020)
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Company number	06574030
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Registered office	Building 5 Archipelago Office Park Lyon Way Camberley Surrey GU16 7ER
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Accountants	TC Group The Granary Hones Yard 1 Waverley Lane Farnham Surrey GU9 8BB
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AUTOGUARD WARRANTIES LTD

BALANCE SHEET

AS AT 31 MARCH 2021

		2021	2020
	Notes	£	£
Fixed assets			
Intangible assets		-	3,333
Tangible assets	5	383,043	444,606
Current assets			
Stocks		7,547	-
Debtors	6	1,388,407	1,133,107
Cash at bank and in hand		1,627,707	1,668,462
		<u>3,023,661</u>	<u>2,801,569</u>
Creditors: amounts falling due within one year	7	<u>(2,178,157)</u>	<u>(2,245,328)</u>
Net current assets		<u>845,504</u>	<u>556,241</u>
Total assets less current liabilities		<u>1,228,547</u>	<u>1,004,180</u>
Creditors: amounts falling due after more than one year	8	(117,895)	(145,460)
Provisions for liabilities	9	(30,660)	(36,858)
Net assets		<u>1,079,992</u>	<u>821,862</u>
Capital and reserves			
Called up share capital	10	200	200
Share premium account		33,000	33,000
Profit and loss reserves		1,046,792	788,662
Total equity		<u>1,079,992</u>	<u>821,862</u>

AUTOGUARD WARRANTIES LTD

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 1 June 2021 and are signed on its behalf by:

Mr R. J. Dockerill
Director

Company Registration No. 06574030

The notes on pages 4 to 12 form part of these financial statements

AUTOGUARD WARRANTIES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Autoguard Warranties Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Building 5, Archipelago Office Park, Lyon Way, Camberley, Surrey, United Kingdom, GU16 7ER.

1.1 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have assessed the impact of the COVID-19 pandemic and believe that they have taken sufficient steps and have adequate resources in place to continue trading for at least twelve months from the date that these financial statements are signed.

On the basis of this assessment the directors consider that it is appropriate to prepare these financial statements on a going concern basis.

1.3 Turnover

Turnover represents sales of service contracts, excluding Value Added Tax. Income is recognised on the date the service contracts are sold.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

AUTOGUARD WARRANTIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	5 years straight line
Fixtures and fittings	5 years straight line
Computer software and hardware	7 years straight line
Motor vehicles	5 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.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets 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.

AUTOGUARD WARRANTIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.9 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 of its financial instruments.

Financial instruments are recognised in the company's balance sheet 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 debtors 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

AUTOGUARD WARRANTIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.12 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.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

AUTOGUARD WARRANTIES LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021****1 Accounting policies (Continued)****1.16 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

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

	2021	2020
	Number	Number
Total	28	24

3 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	160,380	239,631
Adjustments in respect of prior periods	(63,190)	-
Total current tax	97,190	239,631
Deferred tax		
Origination and reversal of timing differences	(6,198)	921
Total tax charge	90,992	240,552

AUTOGUARD WARRANTIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2020 and 31 March 2021	20,000
Amortisation and impairment	
At 1 April 2020	16,667
Amortisation charged for the year	3,333
At 31 March 2021	20,000
Carrying amount	
At 31 March 2021	-
At 31 March 2020	3,333

5 Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Computer software and hardware	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2020	91,526	47,655	349,859	269,033	758,073
Additions	-	1,560	41,113	20,450	63,123
At 31 March 2021	91,526	49,215	390,972	289,483	821,196
Depreciation and impairment					
At 1 April 2020	51,538	42,494	176,801	42,634	313,467
Depreciation charged in the year	15,081	1,923	51,490	56,192	124,686
At 31 March 2021	66,619	44,417	228,291	98,826	438,153
Carrying amount					
At 31 March 2021	24,907	4,798	162,681	190,657	383,043
At 31 March 2020	39,988	5,161	173,058	226,399	444,606

AUTOGUARD WARRANTIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	704,256	695,389
Corporation tax recoverable	118,866	70,177
Other debtors and prepayments	579,734	367,541
Accrued income	(14,449)	-
	<u>1,388,407</u>	<u>1,133,107</u>

7 Creditors: amounts falling due within one year

	2021	2020
	£	£
Obligations under hire purchase agreements	54,558	69,008
Trade creditors	1,265,580	1,551,955
Corporation tax	160,380	239,631
Other taxation and social security	366,901	165,225
Other creditors and accruals	109,691	40,080
Accruals and deferred income	221,047	179,429
	<u>2,178,157</u>	<u>2,245,328</u>

The hire purchase liabilities are secured on the assets to which they relate.

8 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	<u>117,895</u>	<u>145,460</u>

AUTOGUARD WARRANTIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	30,494	36,858
Retirement benefit obligations	166	-
	<u>30,660</u>	<u>36,858</u>
		2021 £
Movements in the year:		
Liability at 1 April 2020		36,858
Credit to profit or loss		(6,198)
		<u>30,660</u>
Liability at 31 March 2021		<u>30,660</u>

10 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	180	180	180	180
Ordinary A shares of £1 each	11	11	11	11
Ordinary B shares of £1 each	5	5	5	5
Ordinary C shares of £1 each	2	2	2	2
Ordinary D shares of £1 each	1	1	1	1
Ordinary E shares of £1 each	1	1	1	1
	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

11 Related party transactions

During the current and previous year the company had transactions with other related parties in which certain directors hold an interest. The company purchased goods and services from these other related parties totalling £149,233 (2019 - £253,864).

AUTOGUARD WARRANTIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Directors' transactions

At the start of the year, one of the directors owed the company £200,232. During the year, repayments were made totalling £13,444. Interest amounting to £4,829 was charged on the balance throughout the year. At the year end, the director owed the company £191,617.

During the year, a loan was advanced to a second director totalling £150,000. Repayments were made totalling £500. Interest amounting to £311 was charged on the balance throughout the year. At the year end, the director owed the company £149,811.

13 Operating lease commitments

Lessee

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

	2021	2020
	£	£
Within one year	63,657	63,657
Between two and five years	63,657	127,314
	<u>127,314</u>	<u>190,971</u>
	<u><u>127,314</u></u>	<u><u>190,971</u></u>

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