AMENDED.

Company Registration No. 12256649 (England and Wales)

AVRC LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

AVRC LIMITED

COMPANY INFORMATION

Directors	Mr P J Dawson	(Appointed 11 October 2019)
	Mr D Lewis	(Appointed 11 October 2019)
	Mr J A Moore	(Appointed 11 October 2019)
	Mr L M Wallbank	(Appointed 11 October 2019)
Company number	12256649	
Registered office	Irg Taffs Mead Road Treforest Industrial Estate Pontypridd CF37 5TF	
Auditor	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB	

AVRC LIMITED

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AVRC LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

The directors present the strategic report for the Period ended 31 December 2020.

The company was incorporated on 11 October 2019.

On 31 January 2020, the company acquired the entire issued share capital of IRG Group Limited.

The results contained within these financial statements consolidate the results of IRG Group Limited and its subsidiaries from 31 January 2020.

Principle Activities & Review Of Business

The statement of comprehensive income for the period includes all relevant key performance indicators for the group.

The principal activity of the company is that of a holding company. The principal activity of the trading subsidiary is the repair of accident damaged motor vehicles.

The strategy of the business is to increase its share of the motor vehicle repair market through increasing sales at its existing outlets and through new outlets where appropriate.

The group enjoys a number of competitive advantages including strong brand recognition in its heartland trading region, where it consistently achieves a strong market share; a well established reputation for price competitiveness; a knowledgeable and enthusiastic workforce and a strong customer focus throughout the business.

The directors of the group were disappointed with the overall performance of the business during the period. The results of the business have been significantly impacted by the Covid-19 pandemic which has resulted in a reduction in activity levels. In addition, in February 2020, two of the sites from which the business operates, were badly damaged by Storm Dennis and were closed for circa 8 months. As a consequence of the aforementioned factors, the business recorded a loss for the period.

Whilst trading conditions are expected to remain challenging throughout FY'21, the board consider the company to be well positioned to manage and take on this challenge.

Key performance indicators

The group's key performance indicators (KPI's) are summarised below:

KPI's – Period ended	**Period ended** **31 December 2020**
Turnover	**£15,002k**
Gross Margin	**£3,454k**

Principal risks and uncertainties
The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks can be summarised as follows:

Risk	Potential impact	Mitigation
Market conditions	This risk relates to the group's exposure to short term macro-economic conditions. Some of the factors driving market growth are beyond the company's control and are difficult to forecast. The group continues to closely monitor the impact of Covid-19 and take prudent steps to mitigate any potential impacts to the successful operation of our business.	The group cannot control market conditions but believes it has effective measures in place to respond to changes. The directors continue to reinforce existing measures, including: • The development of our business model. • Capital expenditure controls and procedures The group remains prepared to implement appropriate mitigation strategies to minimise any potential business disruption arising from Covid-19.
People	The business could be impacted by the loss of key individuals.	The business looks to increase staff engagement through (1) regular opportunities to give feedback and to influence future business developments and (2) training and progression opportunities.

Price risk

The group is exposed to commodity price risk as a result of its operations. Given the size of the group's operations, the costs of managing exposure to commodity risk exceed any potential benefits. The directors' will revisit the appropriateness of this policy should the group's operations change in size or nature.

Credit risk

The group is not exposed to any significant credit risk.

Liquidity risk

The group actively maintains a mixture of long term and short term debt finance that is designed to ensure that the company has sufficient funds for operations and planned expansions.

Interest rate cash flow risk

The group has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise only cash balances which earn interest at floating rates. The group has a policy of maintaining debt at fixed rates. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature.

Going Concern
The financial statements have been prepared on a going concern basis which assumes that the group will continue in operational existence for the foreseeable future.

The directors have reviewed the balance sheet, the likely future cash flows of the business and have considered the facilities that are in place at the date of signing the report. The groups's ability to continue as a going concern is dependent on the continued support of the group's funders and on its providers of working capital, maintaining the existing level of funding on terms and conditions similar to those currently in place.

The directors are aware of a potential uncertainty relating to going concern, arising as a consequence of Covid-19. In light of the situation arising in the UK and globally in respect of Covid-19 and the measures taken by the UK Government to contain the virus, the day to day operations of the business have been disrupted. The extent of the impact of Covid-19 is unclear and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

On behalf of the board

Mr D Lewis
Director
30 April 2021

D Lewis

The directors present their annual report and financial statements for the Period ended 31 December 2020.

The company was incorporated on the 11 October 2019.

On 31 January 2020, the company acquired the issued share capital in IRG Group Limited and its trading subsidiaries.

Principal activities
The principal activity of the company is that of a holding company.

The principal activity of the trading subsidiary is that of the repair of accident damaged motor vehicles

Results and dividends
The results for the Period are set out on page 9.

No ordinary dividends were paid.

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

Mr P J Dawson	(Appointed 11 October 2019)
Mr D Lewis	(Appointed 11 October 2019)
Mr J A Moore	(Appointed 11 October 2019)
Mr L M Wallbank	(Appointed 11 October 2019)

Employee involvement
The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Auditor
Azets Audit Services were appointed as Auditors to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Energy and carbon report
As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of directors' responsibilities
The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr D Lewis
Director
D Lewis
30 April 2021

AVRC LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AVRC LIMITED

Opinion

We have audited the financial statements of AVRC Limited (the 'parent company') and its subsidiaries (the 'group') for the Period ended 31 December 2020 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 group's and the parent company's affairs as at 31 December 2020 and of the group's loss for the Period 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

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.

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 group's and parent 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.

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

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 our audit:
- the information given in the strategic report and the directors' report for the financial Period 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.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 parent 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: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

James Edward Dobson BSc(Hons) FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services — 30 April 2021

Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

AVRC LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Notes	Period ended 31 December 2020 £'000
Turnover	**3**	15,002
Cost of sales		(11,547)
Gross profit		3,455
Distribution costs		(24)
Administrative expenses		(6,676)
Other operating income		1,842
Operating loss	**4**	(1,403)
Interest payable and similar expenses	**9**	(478)
Loss before taxation		(1,881)
Tax on loss	**10**	61
Loss for the financial Period		(1,820)

(Loss)/profit for the financial Period is all attributable to the owners of the parent company.

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

AVRC LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Period ended 31 December 2020 £'000
Loss for the Period	(1,820)
Other comprehensive income	-
Total comprehensive income for the Period	(1,820)

Total comprehensive income for the Period is all attributable to the owners of the parent company.

AVRC LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £'000	£'000
Fixed assets			
Goodwill	**11**		5,058
Tangible assets	**12**		1,610
			6,668
Current assets			
Stocks	**14**	790	
Debtors	**15**	1,514	
Cash at bank and in hand		556	
		2,860	
Creditors: amounts falling due within one year	**16**	(4,956)	
Net current liabilities			(2,096)
Total assets less current liabilities			4,572
Creditors: amounts falling due after more than one year	**17**		(6,090)
Provisions for liabilities			
Deferred tax liability	**19**	202	
			(202)
Net liabilities			(1,720)
Capital and reserves			
Called up share capital	**22**		100
Profit and loss reserves			(1,820)
Total equity			(1,720)

The financial statements were approved by the board of directors and authorised for issue on 30 April 2021 and are signed on its behalf by:

Mr D Lewis
Director

D Lewis

AVRC LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £'000	£'000
Fixed assets			
Investments			7,493
Current assets			
Debtors	15	53	
Creditors: amounts falling due within one year	16	(2,308)	
Net current liabilities			(2,255)
Total assets less current liabilities			5,238
Creditors: amounts falling due after more than one year	17		(5,600)
Net liabilities			(362)
Capital and reserves			
Called up share capital	22		100
Profit and loss reserves			(462)
Total equity			(362)

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £462,194.

The financial statements were approved by the board of directors and authorised for issue on 30 April 2021 and are signed on its behalf by:

Mr D Lewis
Director

Company Registration No. 12256649

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AVRC LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
Period ended 31 December 2020:				
Loss and total comprehensive income for the period		-	(1,820)	(1,820)
Issue of share capital	**22**	100	-	100
Balance at 31 December 2020		100	(1,820)	(1,720)

AVRC LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
Period ended 31 December 2020:				
Loss and total comprehensive income for the period		-	(462)	(462)
Issue of share capital	**22**	100	-	100
Balance at 31 December 2020		100	(462)	(362)

AVRC LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Notes	2020 £'000	£'000
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	**25**		1,920
Interest paid			(478)
Income taxes refunded/(paid)			300
Net cash inflow/(outflow) from operating activities			1,742
Investing activities			
Purchase of tangible fixed assets		(168)	
Proceeds on disposal of tangible fixed assets		622	
Purchase of subsidiaries		(7,493)	
Net cash used in investing activities			(7,039)
Financing activities			
Proceeds from issue of shares		100	
Proceeds of new bank loans		5,600	
Payment of finance leases obligations		153	
Net cash generated from/(used in) financing activities			5,853
Net increase in cash and cash equivalents			556
Cash and cash equivalents at beginning of Period			-
Cash and cash equivalents at end of Period			556

1 Accounting policies

Company information

AVRC Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of AVRC Limited and all of its subsidiaries.

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.

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 freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- 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': 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 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1 Accounting policies **(Continued)**

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company AVRC Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

Subsidiary audit exemption

The company has guaranteed the liabilities of the following subsidiaries outstanding as at the balance sheet date and as a result they are exempt from audit under s479A Companies Act 2006.

Name	Registration Number	Principal Activity	Holding %
T.S.T Cosmetic Repairs Ltd	12522298	Vehicle Repairs	100%

The registered address of the subsidiary is Irg Pontypridd, Treforest Industrial Estate, Pontypridd, Wales, CF37 5TF.

1 Accounting policies **(Continued)**

1.4 Going concern

The financial statements have been prepared on a going concern basis which assumes that the group will continue in operational existence for the foreseeable future.

The directors have reviewed the balance sheet, the likely future cash flows of the business and have considered the facilities that are in place at the date of signing the report. The groups's ability to continue as a going concern is dependent on the continued support of the group's funders and on its providers of working capital, maintaining the existing level of funding on terms and conditions similar to those currently in place.

The directors are aware of a potential uncertainty relating to going concern, arising as a consequence of Covid-19. In light of the situation arising in the UK and globally in respect of Covid-19 and the measures taken by the UK Government to contain the virus, the day to day operations of the business have been disrupted. The extent of the impact of Covid-19 is unclear and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

1.5 Reporting period

The current figures presented in these financial statements are prepared for the 14 month period ended 31 December 2020 from incorporation.

1.6 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business 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 10 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.

1 Accounting policies **(Continued)**

1.8 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:

Plant and equipment	25% on Reducing Balance
Fixtures and fittings	25% on Reducing Balance
Computers	25% on Reducing Balance
Motor vehicles	25% on Reducing Balance

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 recognised in the profit and loss account.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1 Accounting policies **(Continued)**

1.10 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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.

1.11 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Costs includes all direct expenditure and appropriate proportion of fixed and variable overheads.

Work in progress is calculated to include an element of profit that is based on its stage of completion.

1.12 Cash and cash equivalents

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.

1.13 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

1 Accounting policies **(Continued)**

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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group 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.

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 group after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments

Equity instruments issued by the group 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 group.

1.15 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 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.

1.17 Retirement benefits

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

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 leased asset are consumed.

1.19 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.

1 Accounting policies **(Continued)**

1.20 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.

1.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Distribution to equity shareholders

Dividends and other distributions to the company's shareholder are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the Statement of Changes in Equity.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

(i) Useful economic lives of intangible assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives of the assets. The useful economic lives are re-assessed annually. They are amended when necessary to reflect current estimates. See the notes for the carrying amount of intangible assets.

(ii) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See the notes to the financial statements for the carrying amounts of the tangible assets.

3 Turnover and other revenue

	2020
	£'000
Turnover analysed by class of business	
Repair of Motor Vehicles	15,002

3 Turnover and other revenue (Continued)

	2020 £'000
Other significant revenue	
Grants received	1,623

	2020 £'000
Turnover analysed by geographical market	
United Kingdom	15,002

4 Operating loss

	2020 £'000
Operating loss for the period is stated after charging/(crediting):	
Government grants	(1,623)
Depreciation of owned tangible fixed assets	65
Depreciation of tangible fixed assets held under finance leases	102
Profit on disposal of tangible fixed assets	(287)
Amortisation of intangible assets	491
Operating lease charges	1,580

5 Auditor's remuneration

	2020 £'000
Fees payable to the company's auditor and associates:	
For audit services	
Audit of the financial statements of the group and company	4
Audit of the financial statements of the company's subsidiaries	15
	19

6 Employees

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

	Group 2020 Number	Company 2020 Number
Production Staff	110	-
Administrative Staff	149	-
Directors	4	4
Total	263	4

Their aggregate remuneration comprised:

	Group 2020 £'000	Company 2020 £'000
Wages and salaries	6,003	-
Social security costs	734	-
Pension costs	329	-
	7,066	-

7 Directors' remuneration

	2020 £'000
Remuneration for qualifying services	160

8 Key management personnel

Key management personnel includes the directors as recorded on the "Company Information" page, and senior management. The compensation recognized in the Income Statement for key management employee services is £160,000. Employee services is defined as basic salary, employers' national insurance contributions, bonus entitlements and holiday pay entitlements.

9 Interest payable and similar expenses

	2020 £'000
Interest on bank overdrafts and loans	460
Interest on finance leases and hire purchase contracts	18
Total finance costs	478

10 Taxation

	2020 £'000
Current tax	
UK corporation tax on profits for the current period	(88)
Adjustments in respect of prior periods	(31)
Total current tax	(119)
Deferred tax	
Origination and reversal of timing differences	58
Total tax credit	(61)

The actual (credit)/charge for the Period can be reconciled to the expected credit for the Period based on the profit or loss and the standard rate of tax as follows:

	2020 £'000
Loss before taxation	(1,881)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00%	(357)
Tax effect of expenses that are not deductible in determining taxable profit	219
Effect of change in corporation tax rate	17
Under/(over) provided in prior years	(31)
Deferred tax not recognised	91
Taxation credit	(61)

11 Intangible fixed assets

Group	Goodwill £'000
Cost	
At 11 October 2019	-
Additions - business combinations	5,549
At 31 December 2020	5,549
Amortisation and impairment	
At 11 October 2019	-
Amortisation charged for the Period	491
At 31 December 2020	491

11 Intangible fixed assets **(Continued)**

Carrying amount	
At 31 December 2020	5,058

The company had no intangible fixed assets at 31 December 2020.

On 31 January 2020, the company acquired the entire issued share capital of IRG Group Limited. The goodwill recognised in these financial statements represents the difference between the amount paid to acquire the shareholding and the underlying net assets required.

12 Tangible fixed assets

Group	**Plant and equipment £'000**	**Fixtures and fittings £'000**	**Computers £'000**	**Motor vehicles £'000**	**Total £'000**
Cost					
At 11 October 2019	-	-	-	-	-
Additions	566	35	21	32	654
Business combinations	1,021	134	103	200	1,458
Disposals	(225)	(7)	(18)	(85)	(335)
At 31 December 2020	1,362	162	106	147	1,777
Depreciation and impairment					
At 11 October 2019	-	-	-	-	-
Depreciation charged in the Period	110	16	11	30	167
At 31 December 2020	110	16	11	30	167
Carrying amount					
At 31 December 2020	1,252	146	95	117	1,610

The company had no tangible fixed assets at 31 December 2020.

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	**Registered office**	**Class of shares held**	**% Held Direct**
IRG Group Limited	England & Wales	Ordinary	100.00
TST Cardiff Limited	England & Wales	Ordinary	100.00
TST Cosmetic Repairs Limited	England & Wales	Ordinary	100.00

14 Stocks

	Group 2020 £'000	Company 2020 £'000
Work in progress	551	-
Finished goods and goods for resale	239	-
	790	-

15 Debtors

Amounts falling due within one year:	Group 2020 £'000	Company 2020 £'000
Trade debtors	1,319	-
Other debtors	124	53
Prepayments and accrued income	71	-
	1,514	53

16 Creditors: amounts falling due within one year

	Notes	Group 2020 £'000	Company 2020 £'000
Obligations under finance leases		93	-
Trade creditors		1,923	-
Corporation tax payable		37	-
Other taxation and social security		1,146	-
Deferred income	20	198	-
Other creditors		1,263	2,308
Accruals and deferred income		296	-
		4,956	2,308

Included within other creditors is an amount of £1,120k which is deferred consideration for the acquisition made in the period.

17 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £'000	Company 2020 £'000
Bank loans and overdrafts	18	5,600	5,600
Obligations under finance leases		60	-
Deferred income	20	430	-
		6,090	5,600

18 Loans and overdrafts

	Group 2020 £'000	Company 2020 £'000
Bank loans	5,600	5,600
Payable after one year	5,600	5,600

On 31 January 2020, ESF Loans Limited registered a fixed and floating charge over all present and future assets of the company which contains a negative pledge.

The directors, have also each provided a personal guarantee in favour of ESF Loans Limited up to a maximum amount of £200,000.

An interest rate of 8.65% is applied to the loans and they are repayable over a period of five years.

19 Deferred taxation

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

Group	Liabilities 2020 £'000
Accelerated capital allowances	283
Tax losses	(75)
Other short term timing differences	(6)
	202

The company has no deferred tax assets or liabilities.

19 Deferred taxation (Continued)

Movements in the Period:	Group 2020 £'000	Company 2020 £'000
Asset at 11 October 2019	-	-
Charge to profit or loss	58	-
Other	144	-
Liability at 31 December 2020	202	-

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

20 Deferred income

	Group 2020 £'000	Company 2020 £'000
Arising from government grants	198	-
Other deferred income	430	-
	628	-

Deferred income is included in the financial statements as follows:

Current liabilities	198	-
Non-current liabilities	430	-
	628	-

21 Retirement benefit schemes

Defined contribution schemes	2020 £'000
Charge to profit or loss in respect of defined contribution schemes	329

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22 Share capital

Ordinary share capital	2020 Number	2020 £'000
Issued and fully paid		
Ordinary £1 share of £1 each	100,000	100

22 Share capital **(Continued)**

During the year 100,000 Ordinary £1 shares were issued at par.

23 Operating lease commitments

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

	Group 2020 £'000	Company 2020 £'000
Within one year	2,198	-
Between two and five years	5,248	-
In over five years	4,694	-
	12,140	-

24 Controlling party

The directors have agreed that there is not an ultimate controlling party.

25 Cash generated from/(absorbed by) group operations

	2020 £'000
Loss for the Period after tax	(1,820)
Adjustments for:	
Taxation credited	(61)
Finance costs	478
Gain on disposal of tangible fixed assets	(287)
Amortisation and impairment of intangible assets	491
Depreciation and impairment of tangible fixed assets	167
Movements in working capital:	
Increase in stocks	(790)
Increase in debtors	(1,514)
Increase in creditors	4,628
Increase in deferred income	628
Cash generated from/(absorbed by) operations	1,920

26 Analysis of changes in net debt - group

	11 October 2019	Cash flows	31 December 2020
	£'000	£'000	£'000
Cash at bank and in hand	-	556	556
Borrowings excluding overdrafts	-	(5,600)	(5,600)
Obligations under finance leases	-	(153)	(153)
	-	(5,197)	(5,197)