

GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
GUARDSMAN INDUSTRIES LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2021

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GUARDSMAN INDUSTRIES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS: T P Mrotek
Ms E E Mulloy

SECRETARY: Mrs E Shalette

REGISTERED OFFICE: C/O Corporation Service Company (UK) Ltd
5 Churchill Place
10th Floor
London
E14 5HU

REGISTERED NUMBER: 02360505 (England and Wales)

AUDITORS: Mazars LLP
Chartered Accountants
and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors presents the annual report of the Company and the Group containing a Strategic Report, Report of the Directors and the financial statements for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the period continues to be the marketing and distribution of Guardsman furniture protection plans, consumer products and furniture care kits. The Group acts as an agent in the sale and administration of fabric and furniture protection insurance policies. The Group operates from Abingdon, Oxfordshire supporting the UK, Republic of Ireland, The Netherlands and Spain. Guardsman Industries Limited has set up Guardsman Europe Limited as an Ireland based subsidiary to sell and manage unregulated service plans and claims in Ireland, Spain and the Netherlands. This subsidiary started trading in January 2021.

Guardsman Industries Limited is a master franchisor for a business that trades as 'Safeclean'. In this capacity, the Company sells franchises and supplies products and management services to its network of franchisees. Safeclean franchisees remove furniture and carpet stains.

Guardsman Industries Limited has also developed and successfully built up non-regulated furniture repair services to consumers and businesses, utilising the franchisee and repairer network.

REVIEW OF BUSINESS

The Group's key financial and other performance indicators during the period were as follows:

	2021	2020
	£ 's	£ 's
Turnover	10,364	9,409
Operating (loss)/profit before interest and taxation	(2,136)	72
Average number of employees	76	76

Profit and loss account

The performance for the 12 month ended 31 December 2021 was not in line with the expectations of the Directors as a result of the substantial profit sharing arrangements provided for during the year. However the underlying trading of the business was profitable and showed a significant improvement compared to the previous year. The performance of the subsidiary was positive and is performing in line with expectations and will continue to grow through 2022. The directors are confident that the Group will return to profitability in 2022 and will continue to drive improvements in the claims funds and continue to deliver cost savings across the Group.

The (loss)/profit for the period, after taxation, amounted to £(2,156,136) (2020: £72,586).

PRINCIPAL RISKS AND UNCERTAINTIES

The Group has implemented a co-ordinated set of risk management and control systems, including strategic planning and management reporting, to help anticipate, measure, monitor, and manage its exposure to risk. Risks which the Group faces include price and product competition, increases in costs and frequency of claims, loss of supply of product components, changes in the regulatory and legal environment, and credit and interest rate risks, which may increase due to the global shortage of credit. To address the risks the Group undertakers measures such as annual strategic plans for all product lines including SWOT analysis, full competitor analysis, along with constant monitoring of the regulatory environment reacting to any changes.

The risks associated with Covid-19 are discussed in the Report of the Directors.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

SECTION 172(1) STATEMENT

The Directors of the Company consider that they have acted in the way that would most likely promote the success of the Group for the benefit of its member (having regard to relevant stakeholders and matters set out in Section 172 (1) (a-f) of the Companies Act 2006) in the relevant decisions taken during the year ended 31 December 2021.

In coming to the conclusion, the Directors have considered who the stakeholders of the business are, the issues they need to take into consideration and concluded that the following stakeholders are material to the Group:

- i. Shareholder: the Company is a wholly owned subsidiary of the Amynta Group. As such, it must ensure that its strategic decisions consider the interests of its shareholder and are aligned with the wider Amynta Group strategy. The shareholder expects the Company to generate profits and contribute to the Amynta Group results.
- ii. Employees: employee culture, values, behaviours, and overall performance are central factors for the Group in ensuring good customer experience and elimination of conduct risk.
- iii. Customers: the Group works in the best interests of its customers and therefore customer considerations are a key component of the Director's and Group's decision making.
- iv. Suppliers and third parties: the Group seeks to maintain strong relationships with its suppliers to ensure quality of service, cost effectiveness, economies of scale and effective collaboration.
- v. Regulators: the Company is authorised and regulated by the FCA. Ensuring there is a strong, open and cooperative relationship with the Group's regulator is a key objective for the Group and its Directors. This relationship underpins the Group's permissions to operate, its ability to carry out business and its reputation with customers and other stakeholders.

For each of these groups of stakeholders the Group and its Directors seek to ensure they understand and take account of their concerns through a process of engagement, namely:

- i. Shareholder: The Chairman of the Group is the President of Global Consumer Warranty for the Amynta Group. Regular communications and reporting between the Directors and their Group counterparts ensure appropriate information flows.
- ii. Employees: the Group seeks and listens to employee feedback, implementing suggestions where they are compatible with the Group's goals.
- iii. Customers: the Group ensures that each customer relationship is managed in the most effective way and it is important to the Group to maintain a high standard of business conduct. The Group strives through constant training and monitoring of service levels to conclude claims quickly and fairly for our customers to deliver the best possible outcomes. We maintain a key focus on treating customers fairly and ensuring we have a flexible approach to meet the needs of a diverse customer base including specific consideration of the needs of vulnerable customers.
- iv. Suppliers and third parties: the Group actively manages and promotes strong relationships with its suppliers and outsourced service providers to ensure good service, cost effectiveness, use of economies of scale and effective collaboration.
- v. Regulators: The Group aims to maintain strong and effective relationships with the FCA, working in a collaborative manner to enable good customer outcomes while treating customers fairly. The importance of having an open and collaborative relationship with the regulators is embedded as a conduct requirement for all regulated staff.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

ANALYSIS OF KEY PERFORMANCE INDICATORS

The Company measures its performance on a number of key performance indicators, including:

- increasing revenue
- controlling costs
- operating margin
- average number of employees
- accurate monthly accounts closed by day 3 of month end;
- balance sheet accounts reconciled by end of the following month;
- statutory accounts filed on time and no penalties incurred;
- tax returns filed on time and no penalties incurred; and
- clean audit reports, both internal and external as evidenced by no material misstatements or audit qualifications.

The Group continues to operate in a challenging environment with a worsening economic landscape and the ongoing conflict in Ukraine which is leading to continued global instability. Ongoing regulatory focus in the form of the new Consumer Duty will also remain a priority for the business. Despite this the Group is continuing to drive revenue growth both through its existing retail partners and the winning of new business. More recently, the Group has ended its relationship with one of its largest retail partners, however it remains confident the lost revenue will be replaced through new opportunities that are being explored as part of its long term strategic plan. The Group continues to deliver the very highest levels of customer service.

The operational performance has remained a core strength and policies and claims continue to be managed within service levels. The Group is continuing to strive towards claims cost reductions, however this is becoming increasingly challenging as a result of inflation both locally and globally. However, following actuarial assessments, the Group has had to make substantial provisions for shortfalls in claims funds relating to historical policies. Action has also been taken by the Group to substantially reduce the risk of further losses occurring.

Throughout 2021 the Group has continued its strong relationship with its underwriting partner, Fortegra Europe Insurance Company Limited, based in Malta, and this relationship was extended in 2022. This partnership has allowed the Group to maintain its strong position in the market and successfully navigate the complex regulatory environment.

The Group has continued to develop and extend the business beyond the core furniture protection plan model. The Safeclean franchising model continues to receive investment in both training and marketing support to build network capability and strengthen the consumer proposition. Revenue and profit also continue to be built from Guardsman Professional Services to retailers for first year warranty work and the Group continues to acquire new customers in this area. The Group has also continued to enhance its consumer product range which is distributed through retailers and direct to consumers.

The directors expects that with continued investment revenue will continue to grow and that the Group will return to profit in 2022.

ON BEHALF OF THE BOARD:

T P Mrotek - Director

7 October 2022

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of The principal activity of the Group during the period continues to be the marketing and distribution of Guardsman furniture protection plans, consumer products and furniture care kits. The Group acts as an agent in the sale and administration of fabric and furniture protection insurance policies. The Group operates from Abingdon, Oxfordshire supporting the UK, Republic of Ireland, The Netherlands and Spain. Guardsman Industries Limited has set up Guardsman Europe Limited as an Ireland based subsidiary to sell and manage unregulated service plans and claims in Ireland, Spain and the Netherlands. This subsidiary started trading in January 2021.

Guardsman Industries Limited is a master franchisor for a business that trades as 'Safeclean'. In this capacity, the Company sells franchises and supplies products and management services to its network of franchisees. Safeclean franchisees remove furniture and carpet stains.

Guardsman Industries Limited has also developed and successfully built up non-regulated furniture repair services to consumers and businesses, utilising the franchisee and repairer network.

DIVIDENDS

No dividends were paid or declared for the year ended 31 December 2021 (2020 - £nil).

FUTURE DEVELOPMENTS

The competitive and commercial trading environment for the business is likely to remain intense in 2022 and the directors expect the market to continue to become more challenging. The underwriting partnership with Fortegra will allow the Company to continue to develop and support the existing regulated activities. The company has invested a lot of time in further improving product value for consumers and has worked closely with their retail partners to achieve this.

There are also continued risks and uncertainties related to the global Covid-19 pandemic, although these are now subsiding. The primary risks related to Covid-19 are employee sickness and the supplier channel as the world continues to learn to live with the continued effects. It is unlikely the UK will see further lockdowns restricting the retail market.

The current economic situation with high inflation driven by record energy prices and the war in Ukraine will see costs driven up in the supply of parts and furniture, and also the costs of servicing claims as fuel prices make call-outs more expensive. These costs are being constantly monitored and action taken where necessary.

With the backing of the Amynta Group, the directors expect the Group to drive profit into the business through investment in further technology enhancements that will drive productivity and improve the customer experience. With Guardsman Europe Limited set up as an Ireland based subsidiary, the Group has the opportunity to further expand across the European Union.

The directors remain confident that the development and investments the Group is making in the core furniture protection plans will further increase market share and sales. As well as supporting the growth of existing retailers, Guardsman is focused on exploiting the quality and performance of the model to win new customers.

Guardsman will also continue to develop and invest in the other business channels to support a complete consumer offering. The furniture care products range was expanded in 2020 and 2021 and is being further expanded in 2022 through our online store. Revenue growth through Guardsman's direct to consumer model for consumer products was 104% in 2021 and further growth is expected in 2022. The professional services offering and the Safeclean franchise proposition also continue to see investment and growth.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors and leadership team remain focused on delivery against defined strategic goals, which are designed to deliver further sales, customer experience improvements and profit growth in the coming years. This strategy includes growth driven by new customer wins and new product development; increased profit driven by process improvements and a cost focus; and technology innovations to further improve delivery of service excellence as well as driving productivity. The directors are confident that this strategy will continue to grow the Company and deliver against its objectives.

EVENTS SINCE THE END OF THE YEAR

On March 4, 2022, the Amynta Group completed a transaction whereby an affiliate MDP, MH JV Holdings II, LP, acquired all of the common equity interests of the Amynta Group that were previously held by AmTrust affiliates. After this transaction, AmTrust no longer holds any common equity interests in the Amynta Group.

DIRECTORS

T P Mrotek has held office during the whole of the period from 1 January 2021 to the date of this report.

Other changes in directors holding office are as follows:

Ms E E Mulloy - appointed 6 August 2021

GOING CONCERN

Following regular actuarial reviews of the back book claims funds (in run-off), top ups have been made in previous years to fund these to cover the projected future claims liabilities. In addition to the previous profit sharing losses first posted in 2019, a further profit sharing loss has been provided for in 2021 to the value of £2.43m (see note 15). The Group is also continuing to deliver aggressive claims cost reduction activities to benefit these funds as they mature as well as the ongoing Fortegra fund.

The financial statements have been prepared on a going concern basis as The Amynta Group, the ultimate parent undertaking, has provided £10m of additional paid capital in March 2019 which was reduced to £4m in December 2019. This paid in capital remains in place in 2021 to enable the Company to meet its liabilities as they fall due.

After making enquiries, the directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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 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 company will continue in business.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's and company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

AUDITORS

The auditors, Mazars LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

T P Mrotek - Director

7 October 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GUARDSMAN INDUSTRIES LIMITED

Opinion

We have audited the financial statements of Guardsman Industries Limited ("the parent company") and its subsidiary ("the group") for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Notes to the Consolidated 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 of the parent company affairs as at 31 December 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent 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 the 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 'Group Strategic Report, Report of the Directors and Consolidated Financial Statements', other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GUARDSMAN INDUSTRIES LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of Directors.

We have nothing to report in respect of the following matters in relation to which 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 Statement of Directors' Responsibilities set out on page 6, 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 group's and 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GUARDSMAN INDUSTRIES LIMITED

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 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the regulatory and supervisory requirements of the Financial Conduct Authority ("FCA"), employment regulation, anti-bribery, corruption and fraud and anti-money laundering regulations.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence with the FCA;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to the posting of manual journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the levels of claims provisions and deferred income and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GUARDSMAN INDUSTRIES LIMITED

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 a Report of the Auditors 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.

Sam Porritt (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants
and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

7 October 2022

CONSOLIDATED
STATEMENT OF COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	31.12.21 £	£	31.12.20 £	£
TURNOVER	4		10,363,913		9,409,482
Cost of sales			<u>8,014,557</u>		<u>5,683,685</u>
GROSS PROFIT			2,349,356		3,725,797
Distribution costs		315,713		279,122	
Administrative expenses		<u>4,169,362</u>		<u>3,374,697</u>	
			<u>4,485,075</u>		<u>3,653,819</u>
OPERATING (LOSS)/PROFIT	6		(2,135,719)		71,978
Interest receivable and similar income			<u>-</u>		<u>666</u>
			(2,135,719)		72,644
Interest payable and similar expenses	8		<u>3,971</u>		<u>58</u>
(LOSS)/PROFIT BEFORE TAXATION			(2,139,690)		72,586
Tax on (loss)/profit	9		<u>16,446</u>		<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR			(2,156,136)		72,586
OTHER COMPREHENSIVE INCOME			<u>-</u>		<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			<u>(2,156,136)</u>		<u>72,586</u>
(Loss)/profit attributable to:					
Owners of the parent			<u>(2,156,136)</u>		<u>72,586</u>
Total comprehensive income attributable to:					
Owners of the parent			<u>(2,156,136)</u>		<u>72,586</u>

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	31.12.21 £	£	31.12.20 £	£
FIXED ASSETS					
Tangible assets	11		70,031		15,831
Investments	12		<u>-</u>		<u>-</u>
			70,031		15,831
CURRENT ASSETS					
Stocks	13	599,410		317,340	
Debtors	14	7,109,886		5,590,084	
Cash at bank		<u>4,530,607</u>		<u>4,403,864</u>	
		12,239,903		10,311,288	
CREDITORS					
Amounts falling due within one year	15	<u>6,158,471</u>		<u>4,867,822</u>	
NET CURRENT ASSETS			<u>6,081,432</u>		<u>5,443,466</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,151,463		5,459,297
CREDITORS					
Amounts falling due after more than one year	16		(2,928,985)		(2,930,532)
PROVISIONS FOR LIABILITIES	18		<u>(3,119,849)</u>		<u>(270,000)</u>
NET ASSETS			<u>102,629</u>		<u>2,258,765</u>
CAPITAL AND RESERVES					
Called up share capital	19		2,002		2,002
Share premium	20		5,799,998		5,799,998
Retained earnings	20		<u>(5,699,371)</u>		<u>(3,543,235)</u>
SHAREHOLDERS' FUNDS			<u>102,629</u>		<u>2,258,765</u>

The financial statements were approved by the Board of Directors and authorised for issue on 7 October 2022 and were signed on its behalf by:

T P Mrotek - Director

COMPANY STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	31.12.21 £	£	31.12.20 £	£
FIXED ASSETS					
Tangible assets	11		70,031		15,831
Investments	12		<u>22,263</u>		<u>22,263</u>
			92,294		38,094
CURRENT ASSETS					
Stocks	13	599,410		317,340	
Debtors	14	7,054,007		5,590,084	
Cash at bank		<u>4,170,938</u>		<u>4,386,939</u>	
		11,824,355		10,294,363	
CREDITORS					
Amounts falling due within one year	15	<u>6,086,108</u>		<u>4,859,528</u>	
NET CURRENT ASSETS			<u>5,738,247</u>		<u>5,434,835</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,830,541		5,472,929
CREDITORS					
Amounts falling due after more than one year	16		(2,891,223)		(2,930,532)
PROVISIONS FOR LIABILITIES	18		<u>(2,891,504)</u>		<u>(270,000)</u>
NET ASSETS			<u>47,814</u>		<u>2,272,397</u>
CAPITAL AND RESERVES					
Called up share capital	19		2,002		2,002
Share premium	20		5,799,998		5,799,998
Retained earnings	20		<u>(5,754,186)</u>		<u>(3,529,603)</u>
SHAREHOLDERS' FUNDS			<u>47,814</u>		<u>2,272,397</u>
Company's (loss)/profit for the financial year			<u>(2,224,583)</u>		<u>86,218</u>

The financial statements were approved by the Board of Directors and authorised for issue on 7 October 2022 and were signed on its behalf by:

T P Mrotek - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2020	2,002	(3,615,821)	5,799,998	2,186,179
Changes in equity				
Total comprehensive income	-	72,586	-	72,586
Balance at 31 December 2020	<u>2,002</u>	<u>(3,543,235)</u>	<u>5,799,998</u>	<u>2,258,765</u>
Changes in equity				
Total comprehensive income	-	(2,156,136)	-	(2,156,136)
Balance at 31 December 2021	<u>2,002</u>	<u>(5,699,371)</u>	<u>5,799,998</u>	<u>102,629</u>

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2020	2,002	(3,615,821)	5,799,998	2,186,179
Changes in equity				
Total comprehensive income	-	86,218	-	86,218
Balance at 31 December 2020	<u>2,002</u>	<u>(3,529,603)</u>	<u>5,799,998</u>	<u>2,272,397</u>
Changes in equity				
Total comprehensive income	-	(2,224,583)	-	(2,224,583)
Balance at 31 December 2021	<u>2,002</u>	<u>(5,754,186)</u>	<u>5,799,998</u>	<u>47,814</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. STATEMENT OF COMPLIANCE

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in Sterling

Going concern

The financial statements have been prepared on a going concern basis.

Financial Reporting Standard 102 - reduced disclosure exemptions

The group has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Revenue recognition

Fees, excluding Value Added Tax and Insurance Premium Tax, receivable for the administration and claims handling of fabric and furniture protection insurance policies are recognised in proportion to the Company's average experience of costs incurred to set-up, maintain, and manage claims handling over the life of such policies. This policy leads to a deferred income balance as detailed in notes 15 & 16.

Revenue in respect of consumer products is recognised upon delivery to the customer.

Revenue in respect of professional services is recognised on completion of the work.

Revenue in respect of franchise operations is recognised immediately in the month charged.

Turnover also includes the variable consideration arising under profit-sharing arrangements. See the separate accounting policy (page 19) for its recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

All property, plant and equipment are initially recorded at cost.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Plant and equipment - 3 or 5 years straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable.

Impairment of non-financial assets

Non-financial assets are valued at cost less impairment.

The Company assesses at each reporting date whether an asset may be impaired. If any such indication exists the Company estimates recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company estimates, the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease.

An impairment loss recognised for all assets, including goodwill, is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

Investments in subsidiaries

Investments in subsidiary undertakings are valued at cost less impairment.

Stocks

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

Costs include all costs incurred in bringing each product to its present location and conditions, as follows;

Finished goods for resale - cost of direct materials and labour plus attributable overheads based on normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to disposal.

Stocks are assessed for impairment at the end of each reporting period. Impairment charges are recognised in the Statement of Comprehensive Income.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income - Continuing operations Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the period to the next rent review.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Claims provisions

The claim provision is recorded using internal actuarial projections, which are based on current and historical claim experience. The Company's in-house actuary performs an accrual analysis utilizing actuarial methods that incorporate historical claim experience. The Company regularly reviews the estimates of claim costs and adjust the estimates when appropriate. The Company believes the use of actuarial methods to account for these liabilities provides a consistent and effective way to measure these judgmental accruals.

Profit-Sharing Arrangements

Pursuant to certain agreements with its underwriters, the Company may share a portion of the underwriters' profits or losses on the policies that it underwrites. Profit-sharing arrangements represent a form of variable consideration recognized as revenue or loss as performance obligations are satisfied. The amounts to be received or paid, if any, are determined using actuarial methods based on historical and expected ultimate losses and recognised within turnover. Subsequent differences arising on such estimates are recorded in the period in which they are determined.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Claims provisions

The claim provision is recorded using internal actuarial projections, which are based on current and historical claim experience. The Company's in-house actuary performs an accrual analysis utilizing actuarial methods that incorporate historical claim experience. The Company regularly reviews the estimates of claim costs and adjust the estimates when appropriate. The Company believes the use of actuarial methods to account for these liabilities provides a consistent and effective way to measure these judgmental accruals.

Profit-Sharing Arrangements

Pursuant to certain agreements with its underwriters, the Company may share a portion of the underwriters' profits or losses on the policies that it underwrites. Profit-sharing arrangements represent a form of variable consideration recognized as revenue or loss as performance obligations are satisfied. The amounts to be received, if any, are determined using actuarial methods based on historical and expected ultimate losses. Subsequent differences arising on such estimates are recorded in the period in which they are determined.

Deferred income

Fees, excluding Value Added Tax and Insurance Premium Tax, receivable for the administration and claims handling of fabric and furniture protection insurance policies are recognised in proportion to the Company's average experience of costs incurred to set-up, maintain, and manage claims handling over the life of such policies.

4. TURNOVER

The turnover and loss (2020 - profit) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	31.12.21	31.12.20
	£	£
UK	9,521,697	8,414,530
Europe	842,216	994,952
	<u>10,363,913</u>	<u>9,409,482</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**5. EMPLOYEES AND DIRECTORS**

	31.12.21	31.12.20
£ £		
Wages and salaries	2,423,364	2,221,410
Social security costs	234,745	221,597
Other pension costs	139,126	128,048
	<u>2,797,235</u>	<u>2,571,055</u>

The average number of employees during the year was as follows:

	31.12.21	31.12.20
Administrative staff	6	6
Sales	70	70
	<u>76</u>	<u>76</u>

The average number of employees by undertakings that were proportionately consolidated during the year was NIL (2020 - NIL).

	31.12.21	31.12.20
£ £		
Directors' remuneration	-	-

Directors remuneration for the years ended 31 December 2021 and 2020 has been borne by another company within the Group.

6. OPERATING (LOSS)/PROFIT

	31.12.21	31.12.20
£ £		
Hire of plant and machinery	72,725	74,834
Depreciation - owned assets	23,284	14,073
Other operating leases	<u>159,867</u>	<u>175,541</u>

7. AUDITORS' REMUNERATION

	31.12.21	31.12.20
£ £		
Fees payable to the auditor for the audit of the Company's current year's accounts	111,600	101,500
Additional fees payable to the auditor for the audit of the Company's previous year's accounts	18,500	-
Fees payable to the auditor for the audit of the subsidiary	17,178	-
Total	<u>147,278</u>	<u>101,500</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.21	31.12.20
	£	£
Bank interest	<u>3,971</u>	<u>58</u>

9. TAXATION

Analysis of the tax charge

The tax charge on the profit/(loss) for the year was as follows:

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
£	£	£	£	£
UK corporation tax	-	-	-	-
Republic of Ireland corporation tax	16,074	-	-	-
Adjustments in respect of previous periods	372	-	-	-
	<u>16,446</u>	<u>-</u>	<u>-</u>	<u>-</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax. The difference is explained below:

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
£	£	£	£	£
(Loss)/Profit before tax	<u>(2,139,690)</u>	<u>71,874</u>	<u>(2,224,583)</u>	<u>86,218</u>
(Loss)/Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(422,671)	16,381	(422,671)	16,381
Profit/(loss) multiplied by the standard rate of corporation tax in the Republic of Ireland of 12.5% (2020 - 12.5%)	17,539	(1,793)	-	-
Losses not utilised in current period	436,531	1,793	436,531	-
Expenses not deductible for tax purposes	24	-	-	-
Pre-trading expenditure qualifying for deduction	(1,697)	-	-	-
Utilisation of tax losses	-	(15,134)	-	(15,134)
Capital allowances in excess of depreciation	(15,216)	(3,704)	(15,216)	(3,704)
Expensive leased cars	1,564	1,105	1,356	1,105
Provisions	-	4,737	-	4,737
Pension contributions deductible on paid basis	-	(3,385)	-	(3,385)
Adjustments in respect of previous periods	372	-	-	-
Total tax charge	<u>16,446</u>	<u>-</u>	<u>-</u>	<u>-</u>

10. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income - Continuing operations of the parent company is not presented as part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

11. TANGIBLE FIXED ASSETS

Group

Plant and
machinery
£

COST

At 1 January 2021

122,709

Additions

77,484

At 31 December 2021

200,193

DEPRECIATION

At 1 January 2021

106,878

Charge for year

23,284

At 31 December 2021

130,162

NET BOOK VALUE

At 31 December 2021

70,031

At 31 December 2020

15,831

Company

Plant and
machinery
£

COST

At 1 January 2021

122,709

Additions

77,484

At 31 December 2021

200,193

DEPRECIATION

At 1 January 2021

106,878

Charge for year

23,284

At 31 December 2021

130,162

NET BOOK VALUE

At 31 December 2021

70,031

At 31 December 2020

15,831

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

12. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 January 2021
and 31 December 2021

22,263

NET BOOK VALUE

At 31 December 2021
At 31 December 2020

22,263

22,263

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiary

Guardsman Europe Limited

Registered office: Ireland

Nature of business: Marketing & distribution of Guardsman products.

%

Class of shares:

holding

Ordinary

100.00

13. STOCKS

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Finished goods	<u>599,410</u>	<u>317,340</u>	<u>599,410</u>	<u>317,340</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Trade debtors	6,502,358	4,413,643	6,350,342	4,413,643
Other debtors	16	618	16	618
Prepayments and accrued income	<u>607,512</u>	<u>1,175,823</u>	<u>703,649</u>	<u>1,175,823</u>
	<u>7,109,886</u>	<u>5,590,084</u>	<u>7,054,007</u>	<u>5,590,084</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Trade creditors	2,352,114	1,399,866	2,351,844	1,399,866
Amounts owed to group undertakings	-	904	-	-
Tax	16,074	-	-	-
Social security and other taxes	1,267,403	1,524,055	1,238,807	1,524,055
Other creditors	-	17,815	-	17,815
Accruals and deferred income	2,522,880	1,925,182	2,495,457	1,917,792
	<u>6,158,471</u>	<u>4,867,822</u>	<u>6,086,108</u>	<u>4,859,528</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Accruals and deferred income	<u>2,928,985</u>	<u>2,930,532</u>	<u>2,891,223</u>	<u>2,930,532</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Company

	Non-cancellable operating leases	
	31.12.21	31.12.20
	£	£
Within one year	236,733	234,350
Between one and five years	<u>381,635</u>	<u>562,279</u>
	<u>618,368</u>	<u>796,629</u>

18. PROVISIONS FOR LIABILITIES

Group Company

	Profit-sharing arrangements		Claims provision	
	£	£	£	£
At 1 January 2021	-	270,000	-	270,000
Additions	2,621,504	228,345	2,621,504	-
At 31 December 2021	<u>2,621,504</u>	<u>498,345</u>	<u>2,621,504</u>	<u>270,000</u>

Details of the profit-sharing arrangements and claims provision are included within note 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.21	31.12.20
			£	£
2,002	Ordinary	£1.00	<u>2,002</u>	<u>2,002</u>

20. RESERVES**Group**

	Retained earnings £	Share premium £	Totals £
At 1 January 2021	(3,543,235)	5,799,998	2,256,763
Deficit for the year	<u>(2,156,136)</u>	<u>-</u>	<u>(2,156,136)</u>
At 31 December 2021	<u>(5,699,371)</u>	<u>5,799,998</u>	<u>100,627</u>

Company

	Retained earnings £	Share premium £	Totals £
At 1 January 2021	(3,529,603)	5,799,998	2,270,395
Deficit for the year	<u>(2,224,583)</u>	<u>-</u>	<u>(2,224,583)</u>
At 31 December 2021	<u>(5,754,186)</u>	<u>5,799,998</u>	<u>45,812</u>

21. CONTINGENT LIABILITIES

Guardsman Europe Limited has identified a potential VAT liability related to the revenue earned through the sale of service plans. Based on professional advice, the directors believe that there will be a VAT liability relating to the 2021 year end. However, due to the complexity of the VAT legislation an estimated amount cannot be reasonably determined at the present time.

22. POST BALANCE SHEET EVENTS

On March 4, 2022, the Amynta Group completed a transaction whereby an affiliate MDP, MH JV Holdings II, LP, acquired all of the common equity interests of the Amynta Group that were previously held by AmTrust affiliates. After this transaction, AmTrust no longer holds any common equity interests in the Amynta Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

23. ULTIMATE CONTROLLING PARTY

The Company's immediate parent undertaking is Guardsman Holdco LLC, a company incorporated in the United States of America.

The Company's ultimate parent undertaking and the controlling party is Amynta Ultimate Holdings LLC, which is incorporated in the United States of America. Copies of its group financial statements, which include the Company, are available from :

Amynta Ultimate Holdings LLC
909 3rd Avenue, 33rd Floor
New York
NY 10022
USA

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.