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Registration number: 03742745

Regis Group Services Ltd

Directors' Report and Financial Statements
for the Year Ended 31 March 2006

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Regis Group Services Ltd
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Regis Group Services Ltd
Officers and Advisers

Directors	N C Gould
	P E Gould
Secretary	N C Gould
Registered office	7-11 Nelson Street Southend-on-Sea Essex SS1 1EH
Auditors	MGI Rickard Keen LLP 9 Nelson Street Southend-on-Sea Essex SS1 1EH

Regis Group Services Ltd
Directors' Report for the Year Ended 31 March 2006

The directors present their report and the audited financial statements for the year ended 31 March 2006.

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Principal activity

The principal activity of the company is providing services to related companies.

Charitable and political donations

During the year the company made charitable donations of £33,307. Individual donations in excess of £200 were:

	2006 £
The Children's Charity	20,000
Party of a lifetime (Children's Charity)	10,000
NSPCC	1,000
Little Havens	595
Daisy Charity	200
Homeless shelter	484
World Vision	<u>648</u>

Regis Group Services Ltd
Directors' Report for the Year Ended 31 March 2006

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Directors and their interests

The directors who held office during the year were as follows:

- N C Gould
- P E Gould

None of the directors had any interest in the issued share capital during the period. The interest of the directors in the issued share capital of the ultimate parent company were as follows:

Name of Director	Share Type	At 31 March 2006	At 31 March 2005
N C Gould	Ordinary A	520	520
	Ordinary B	50	50
P E Gould	Ordinary A	520	520
	Ordinary B	50	50

The remaining Ordinary A shares in the ultimate parent company are owned by the Frank Gould 1998 No1. Settlement, of which Mr N C Gould and Mr P E Gould are both trustees and beneficiaries. Mr K E Bell, a partner in MGI Rickard Keen LLP, the company's auditors, is also a trustee of the Frank Gould 1998 No.1 Settlement

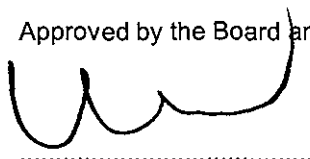
Auditors

The auditors, MGI Rickard Keen LLP, are deemed to be re-appointed in accordance with section 386 of the Companies Act 1985.

Small company provisions

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board and signed on its behalf by:



.....
N C Gould
Company Secretary

Date: 30/1/07

Independent Auditors' Report to the Members of Regis Group Services Ltd

We have audited the financial statements of Regis Group Services Ltd for the year ended 31 March 2006 set out on pages 6 to 15. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standards for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our 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 auditors' 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.

Respective responsibilities of directors and auditors

As described in the statement of Directors' responsibilities on page 2, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty - going concern

In forming our opinion, we have also considered the appropriateness of the going concern basis upon which these accounts have been prepared. The appropriateness of this basis is dependent upon the continued support of the related company creditors. As disclosed by the directors in note 1 to the accounts, the company's creditors have indicated this support will continue for the foreseeable future. In view of the significance of this matter we consider that it should be drawn to your attention but our report is not qualified in this respect.

**Independent Auditors' Report to the Members of
Regis Group Services Ltd**

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Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2006 and of its loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Directors' Report is consistent with the financial statements.

MGI Rickard Keen LLP

MGI Rickard Keen LLP

9 Nelson Street
Southend-on-Sea
Essex
SS1 1EH

Date: 31/01/07

Regis Group Services Ltd
Profit and Loss Account for the Year Ended 31 March 2006

	Note	2006 £	2005 £
Turnover		63,578	39,410
Cost of sales		(23,105)	(32,460)
Gross profit		<u>40,473</u>	<u>6,950</u>
Administrative expenses		(2,056,159)	(3,225,393)
Other operating income		2,090,200	3,478,983
Operating profit	2	<u>74,514</u>	<u>260,540</u>
Investment income		320,679	140,000
Other interest receivable and similar income		121,440	123,020
Interest payable and similar charges		(613,653)	(378,437)
(Loss)/profit on ordinary activities before taxation		<u>(97,020)</u>	<u>145,123</u>
Tax on (loss)/profit on ordinary activities	4	(15,229)	(35,798)
(Loss)/profit for the financial year		<u>(112,249)</u>	<u>109,325</u>
Retained (loss)/profit for the financial year		<u><u>(112,249)</u></u>	<u><u>109,325</u></u>

The notes on pages 8 to 15 form an integral part of these financial statements.

Regis Group Services Ltd
Balance Sheet as at 31 March 2006

		2006		2005	
	Note	£	£	£	£
Fixed assets					
Tangible assets	5		243,962		154,613
Investments	6		-		3,500,000
			<u>243,962</u>		<u>3,654,613</u>
Current assets					
Debtors	7	38,879,626		19,926,324	
Cash at bank and in hand		<u>2,935,676</u>		<u>1,296,895</u>	
		41,815,302		21,223,219	
Creditors: Amounts falling due within one year	8	<u>(43,688,244)</u>		<u>(26,394,563)</u>	
Net current liabilities			<u>(1,872,942)</u>		<u>(5,171,344)</u>
Net liabilities			<u>(1,628,980)</u>		<u>(1,516,731)</u>
Capital and reserves					
Called up share capital	10		1,000		1,000
Profit and loss reserve	11		<u>(1,629,980)</u>		<u>(1,517,731)</u>
Equity shareholders' deficit			<u>(1,628,980)</u>		<u>(1,516,731)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Approved by the Board on 30/1/07 and signed on its behalf by:



N C Gould
 Director

The notes on pages 8 to 15 form an integral part of these financial statements.

Regis Group Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2006

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

Going concern

These financial statements have been prepared on a going concern basis. The appropriateness of this basis is dependent upon the continued support of the related company creditors, who have indicated that this support will continue for the foreseeable future.

Turnover

Turnover comprises income from property development, building and related operations.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Computer Equipment	20% straight line basis
Fixtures and fittings	20% Reducing balance basis

Motor vehicles are depreciated to the extent necessary to reduce book value to the published market value.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Regis Group Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2006

..... continued

2 Operating profit

Operating profit is stated after charging/(crediting):

	2006 £	2005 £
Auditors remuneration - audit services	12,899	84,973
Foreign currency (gains)/losses	(96,798)	67,033
(Profit)/loss on sale of tangible fixed assets	(154,367)	1,223
Depreciation of tangible fixed assets	69,564	39,620

3 Directors' emoluments

The directors' emoluments for the year are as follows:

	2006 £	2005 £
Directors' emoluments (including benefits in kind)	111,572	622,379

4 Taxation

Analysis of current period tax charge

	2006 £	2005 £
Current tax		
Corporation tax charge	33,114	17,885
(Over)/under provision in previous year	(17,885)	17,913
UK Corporation tax	15,229	35,798

Regis Group Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2006

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5 Tangible fixed assets

	Motor vehicles £	Office equipment £	Other tangibles £	Total £
Cost				
As at 1 April 2005	132,434	95,862	76,067	304,363
Additions	123,580	12,844	24,463	160,887
Disposals	-	-	(3,384)	(3,384)
As at 31 March 2006	<u>256,014</u>	<u>108,706</u>	<u>97,146</u>	<u>461,866</u>
Depreciation				
As at 1 April 2005	43,886	53,282	52,582	149,750
Eliminated on disposals	-	-	(1,410)	(1,410)
Charge for the year	<u>48,882</u>	<u>9,995</u>	<u>10,687</u>	<u>69,564</u>
As at 31 March 2006	<u>92,768</u>	<u>63,277</u>	<u>61,859</u>	<u>217,904</u>
Net book value				
As at 31 March 2006	<u>163,246</u>	<u>45,429</u>	<u>35,287</u>	<u>243,962</u>
As at 31 March 2005	<u>88,548</u>	<u>42,580</u>	<u>23,485</u>	<u>154,613</u>

6 Investments held as fixed assets

	Participating interests shares £
Cost	
As at 1 April 2005	3,500,000
Additions	5,597,000
Disposals	<u>(9,097,000)</u>
As at 31 March 2006	<u>-</u>
Net book value	
As at 31 March 2006	<u>-</u>
As at 31 March 2005	<u>3,500,000</u>

Regis Group Services Ltd
Notes to the Financial Statements for the Year Ended 31 March 2006

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7 Debtors

	2006	2005
	£	£
Trade debtors	11,568	11,219
Amounts owed by related companies	24,526,710	19,518,215
Other debtors	13,945,434	68,855
Prepayments and accrued income	395,914	328,035
	<u>38,879,626</u>	<u>19,926,324</u>

Debtors includes £5,275,000 (2005 - none) receivable after more than one year.

This can be analysed as follows:

	2006	2005
	£	£
Other debtors	<u>5,275,000</u>	<u>-</u>

8 Creditors: Amounts falling due within one year

	2006	2005
	£	£
Bank loans and overdrafts	2,824,516	5,201,803
Trade creditors	58,792	92,721
Amounts owed to related companies	38,249,747	20,570,951
Social security and other taxes	-	93,839
Other creditors	415,478	189,593
Director current accounts	2,007,975	163,011
Accruals and deferred income	131,736	82,645
	<u>43,688,244</u>	<u>26,394,563</u>

9 Security of borrowings

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets. Barclays Bank PLC also has a cross guarantee on Regis Group (Barclays) Limited and Regis (Nationwide No.1) Limited.

Regis Group Services Ltd
Notes to the Financial Statements for the Year Ended 31 March 2006

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10 Share capital

	2006 £	2005 £
Authorised		
Equity		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
Equity		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

11 Reserves

	Profit and loss reserve £
Balance at 1 April 2005	(1,517,731)
Transfer from profit and loss account for the year	<u>(112,249)</u>
Balance at 31 March 2006	<u>(1,629,980)</u>

Regis Group Services Ltd
Notes to the Financial Statements for the Year Ended 31 March 2006

..... continued

12 Related parties

Controlling entity

Regis Group Services Limited is a wholly owned subsidiary of Regis Services Holdings Limited (04436598), a company incorporated in the United Kingdom.

The ultimate controlling party is the Frank Gould 1998 No.1 Settlement, of which Mr N C Gould and Mr P E Gould are both trustees and beneficiaries.

Related party transactions

The following are transactions with companies related by virtue of the ultimate controlling party being the Frank Gould 1998 No. 1 Settlement.

Amounts owed to Regis Group Services Limited:

Regis Group (Holdings) Limited £1,311,617 (2005: £1,192,469)

Regis (Barclays Ground Rents) Limited £4,411,857 (2005: £5,649,982)

Bladetop Limited £7,092 (2005: £7,062)

Bladesync Limited £30 (2005: £Nil)

Regis Commercial Limited £606,107 (2005: £502,900)

Regis (Nationwide No.1) Limited £1,050,916 (2005: £Nil)

Regis (Nationwide No.2) Limited £3,469,572 (2005: £Nil)

Regis Group (Nationwide Finn House) Limited £1,056 (2005: £429,735)

Regis Group PLC £384,230 (2005: £Nil)

Regisport Limited £613,335 (2005: £504,957)

Regis Group Reversions 2005 Limited £6,835,580 (2005: £Nil)

Regis Group Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2006

..... continued

Amounts owed by Regis Group Services Limited:

Regis Group (Nationwide) Limited £9,441,739 (2005: £1,067,828)

Regis Group (UBK) Limited £10,118,329 (2005: £10,803,549)

Regis Group (Barclays) Limited £1,448,235 (2005: £3,146,181)

Regis Group (BM) Limited £1,226,748 (2005: £2,669,518)

Regis Group (Reversions No.1) Limited £7,110,049 (2005: £Nil)

Regis Group (Reversions) Limited £7,246,433 (2005: £Nil)

Thorpe Estate Ltd £7,609 (2005: £8,394 owed to Regis Group Services Ltd)

The above companies do not have their own current bank accounts and therefore Regis Group Services Limited acts as agents in receipt of income and the discharge of expenses.

Recharge of costs

Regis Group (UBK) Limited £1,250,331 (2005: £304,625)

Regis Group (Nationwide) Limited £1,181,028 (2005: £885,924)

Regis Group (Barclays) Limited £811,868 (2005: £241,669)

Regis Group (Barclays Two) Limited £Nil (2005: £178,180)

Regis Group (BM) Limited £48,795 (2005: £1,782,129), and a refund for earlier period of £1,513,678 (2005: £Nil)

Regis Group (Holdings) Limited £4,589 (2005: £26,829)

Regis (Commercial) Limited £257,114 (2005: £59,627)

Regis Nationwide No.1 Limited £20,200 (2005: £Nil)

Regis Nationwide No.2 Limited £29,952 (2005: £Nil)

Regis Group (Barclays) Limited has guaranteed the borrowings to Regis Group Services Limited.

Regis Group Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2006

..... *continued*

Amounts owed to Regis Group Services Limited, by companies controlled by the directors

EAML Limited £16,126 (2005: £Nil)

Mount Street Holdings Limited £Nil (2005: £7,322,611), ceased to be a related company during the year

USA Ventures LLC £4,576,385 (2005: £2,063,423)

Tripleforce Enterprises Limited £Nil (2005: £1,260,000)

GOS Worldwide Limited £Nil (2005: £600,000), ceased to be a related company during the year

Devigne Holdings Limited £161,585 (2005: £166,096)

Pier Management Limited £460,220 (2005: £745,278)

Regis Group Haven Court (Thorpe Bay) Limited £621,002 (2005: £Nil)

At the balance sheet date the company had borrowed £1,650,604 (2005: £1,949,184) from its pension fund.

13 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the company to the scheme. There were no contributions made in the year (2005: £457,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.