

Regis Group Services Ltd

Directors' Report and Financial Statements
for the Year Ended 31 March 2007

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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 Chartered Accountants and Registered Auditors 9 Nelson Street Southend-on-Sea Essex SS1 1EH

Regis Group Services Ltd
Directors' Report for the Year Ended 31 March 2007

The directors present their report and the audited financial statements for the year ended 31 March 2007

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 £15,968. Individual donations in excess of £200 were

	2007 £
World Vision	648
The Anderson Foundation	3,600
Norwood Childcare	2,000
Child Victims Of Crime	250
British Heart Foundation	500

Directors and their interests

The directors who held office during the year were as follows

- N C Gould
- P E Gould

Regis Group Services Ltd
Directors' Report for the Year Ended 31 March 2007

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.

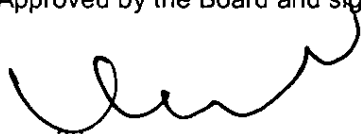
Auditors

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 07/03/08

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 2007 set out on pages 6 to 17. 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.

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

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 2007 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
Chartered Accountants and Registered Auditors

Date *31 MARCH 2008*

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

Regis Group Services Ltd
Profit and Loss Account for the Year Ended 31 March 2007

	Note	2007 £	2006 £
Turnover		21,645	63,578
Cost of sales		(30,471)	(23,105)
Gross (loss)/profit		<u>(8,826)</u>	<u>40,473</u>
Administrative expenses		(4,702,552)	(2,056,159)
Other operating income		3,126,031	2,090,200
Operating (loss)/profit	2	<u>(1,585,347)</u>	<u>74,514</u>
Investment income		-	320,679
Other interest receivable and similar income		46,424	121,440
Interest payable and similar charges		(193,571)	(613,653)
Loss on ordinary activities before taxation		<u>(1,732,494)</u>	<u>(97,020)</u>
Tax on loss on ordinary activities	5	-	(15,229)
Loss for the financial year		<u>(1,732,494)</u>	<u>(112,249)</u>
Retained loss for the financial year		<u><u>(1,732,494)</u></u>	<u><u>(112,249)</u></u>

The notes on pages 8 to 16 form an integral part of these financial statements

Regis Group Services Ltd
Balance Sheet as at 31 March 2007

		2007	2006
		£	£
	Note		
Fixed assets			
Tangible assets	6	329,067	243,962
Current assets			
Debtors	7	39,614,140	38,879,626
Cash at bank and in hand		234,631	2,935,676
		<u>39,848,771</u>	<u>41,815,302</u>
Creditors Amounts falling due within one year	8	(43,503,044)	(43,688,244)
Net current liabilities		<u>(3,654,273)</u>	<u>(1,872,942)</u>
Total assets less current liabilities		(3,325,206)	(1,628,980)
Creditors Amounts falling due after more than one year	9	(36,268)	-
Net liabilities		<u>(3,361,474)</u>	<u>(1,628,980)</u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss reserve	12	(3,362,474)	(1,629,980)
Equity shareholders' deficit		<u>(3,361,474)</u>	<u>(1,628,980)</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 07/03/08 and signed on its behalf by



N C Gould
Director

Regis Group Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2007

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 dependant upon the continued support of the related company creditors and the directors, 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

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

Hire purchase and finance lease contracts

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding

Assets acquired under instalment finance agreements are treated as tangible fixed assets and depreciation is provided accordingly. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract

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 2007

2 Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting)

	2007	2006
	£	£
Auditors' remuneration - audit services	27,673	12,899
Foreign currency (gains)/losses	115,120	(96,798)
(Profit)/loss on sale of tangible fixed assets	13,956	(154,367)
Depreciation of tangible fixed assets	<u>59,472</u>	<u>69,564</u>

3 Directors' emoluments

The directors' emoluments for the year are as follows

	2007	2006
	£	£
Benefits in kind	<u>160,393</u>	<u>111,572</u>

4 Particulars of employees

The aggregate payroll costs of these persons were as follows

	2007	2006
	£	£
Wages and salaries	<u>1,894,485</u>	<u>1,186,192</u>

5 Taxation

Analysis of current period tax charge

	2007	2006
	£	£
Current tax		
Corporation tax charge	-	33,114
(Over)/under provision in previous year	<u>-</u>	<u>(17,885)</u>
UK Corporation tax	<u>-</u>	<u>15,229</u>

Regis Group Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2007

6 Tangible fixed assets

	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost				
As at 1 April 2006	256,014	108,706	97,146	461,866
Additions	219,471	6,709	20,352	246,532
Disposals	(141,490)	-	-	(141,490)
As at 31 March 2007	<u>333,995</u>	<u>115,415</u>	<u>117,498</u>	<u>566,908</u>
Depreciation				
As at 1 April 2006	92,768	63,277	61,859	217,904
Eliminated on disposals	(39,535)	-	-	(39,535)
Charge for the year	37,039	10,346	12,087	59,472
As at 31 March 2007	<u>90,272</u>	<u>73,623</u>	<u>73,946</u>	<u>237,841</u>
Net book value				
As at 31 March 2007	<u>243,723</u>	<u>41,792</u>	<u>43,552</u>	<u>329,067</u>
As at 31 March 2006	<u>163,246</u>	<u>45,429</u>	<u>35,287</u>	<u>243,962</u>

Hire purchase agreements

Included within the total net book value of tangible fixed assets is £48,357 (2006 - none) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was none (2006 - none)

7 Debtors

	2007 £	2006 £
Trade debtors	3,068	11,568
Amounts owed by related companies	34,882,113	24,526,710
Other debtors	390,618	13,945,434
Prepayments and accrued income	4,338,341	395,914
	<u>39,614,140</u>	<u>38,879,626</u>

Debtors includes £0 (2006 - £5,275,000) receivable after more than one year

This can be analysed as follows

	2007 £	2006 £
Other debtors	<u>-</u>	<u>5,275,000</u>

Regis Group Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2007

8 Creditors Amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts	544,984	2,824,516
Obligations under finance leases and hire purchase contracts	12,089	-
Trade creditors	56,841	58,792
Amounts owed to related companies	34,560,812	38,457,317
Social security and other taxes	47,589	-
Other creditors	426,441	415,478
Director current accounts	7,854,288	1,800,405
Accruals and deferred income	-	131,736
	<u>43,503,044</u>	<u>43,688,244</u>

9 Creditors Amounts falling due after more than one year

	2007 £	2006 £
Obligations under finance leases and hire purchase contracts	36,268	-
	<u>36,268</u>	<u>-</u>

10 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 with Regis Group (Barclays) Limited and Regis (Nationwide No 1) Limited.

11 Share capital

	2007 £	2006 £
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>

Regis Group Services Ltd
Notes to the Financial Statements for the Year Ended 31 March 2007

12 Reserves

	Profit and loss reserve £
Balance at 1 April 2006	(1,629,980)
Transfer from profit and loss account for the year	<u>(1,732,494)</u>
Balance at 31 March 2007	<u><u>(3,362,474)</u></u>

Regis Group Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2007

13 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, and have arisen as a result of the company providing central banking facilities for related companies and acting as agents in receipt of income and the discharge of expenses

Amounts owed to Regis Group Services Limited

Regis Group (Holdings) Limited £1,681,492 (2006 £1,311,617)

Regis (Barclays Ground Rents) Limited £4,411,857 (2006 £4,411,857)

Bladesync Limited £30 (2006 £30)

Regis Commercial Limited £490,551 (2006 £606,107)

Regis (Nationwide No 1) Limited £3,286,224 (2006 £1,050,916)

Regis (Nationwide No 2) Limited £3,257,736 (2006 £3,469,572)

Regis Group (Nationwide Finn House) Limited (in liquidation) £5,177 (2006 £1,056)

Regis Group PLC £384,230 (2006 £384,230)

Regisport Limited £3,146,394 (2006 £613,335)

Regis Group Reversions 2005 Limited £1,037,804 (2006 £6,835,580)

Amicrest Recovery 52 Limited £15 (2006 £Nil)

Regis Group (Barclays Two) Limited £703,570 (2006 £207,570 creditor)

Regis Group Services Ltd
Notes to the Financial Statements for the Year Ended 31 March 2007

Amounts owed by Regis Group Services Limited

Bladetop Limited £207,088 (2006 £7,092 debtor)

Regis Group (Nationwide) Limited £6,017,688 (2006 £9,441,739)

Regis Group (UBK) Limited £10,109,520 (2006 £10,118,329)

Regis Group (Barclays) Limited £2,030,601 (2006 £1,448,235)

Regis Group (BM) Limited (in liquidation) £1,224,322 (2006 £1,226,748)

Regis Group (Reversions No 1) Limited £7,250,965 (2006 £7,110,049)

Regis Group (Reversions) Limited £7,151,807 (2006 £7,246,433)

Thorpe Estate Limited £16,055 (2006 £7,609)

A J Wait & Co Limited £10,083 (2006 £Nil)

Blencare Limited £31,147 (2006 £Nil)

Brenbase Properties Limited £13,843 (2006 £Nil)

Frays Property Management Limited £29,956 (2006 £Nil)

Gradehurst Management Limited £10,176 (2006 £Nil)

Ground Rents (Regis) Limited £69,395 (2006 £Nil)

Handsoff Limited £924 (2006 £Nil)

Headline Investments Limited £7,107 (2006 £Nil)

Long Term Reversions Limited £102,552 (2006 £Nil)

Magnus Design Limited £17,146 (2006 £Nil)

Magnus Midland Limited £9,327 (2006 £Nil)

Regis Group (Barclays) Freeholds Limited £134,236 (2006 £Nil)

Regis Retirement Housing Limited £9,958 (2006 £Nil)

Regis Sheltered Housing Limited £26,412 (2006 £Nil)

Waterglen Limited £80,209 (2006 £Nil)

Regis Group Services Ltd
Notes to the Financial Statements for the Year Ended 31 March 2007

Recharge of admin costs during the year

Regis Group (UBK) Limited £772,957 (2006 £1,250,331)

Regis Group (Nationwide) Limited £1,151,736 (2006 £1,181,028)

Regis Group (Barclays) Limited £534,295 (2006 £811,868)

Regis Group (BM) Limited £Nil (2006 £48,795 and a refund for earlier period of £1,513,678)

Regis Group (Holdings) Limited £15,397 (2006 £4,589)

Regis (Commercial) Limited £45,909 (2006 £257,114)

Regis Nationwide No 1 Limited £58,511 (2006 £20,200)

Regis Nationwide No 2 Limited £86,226 (2006 £29,952)

Bladetop Limited £74,250 (2006 £Nil)

Regisport Limited £232,050 (2006 £Nil)

Regis Group (Barclays) Freeholds Limited £34,295 (2006 £Nil)

Regis Sheltered Housing Limited £6,008 (2006 £Nil)

Regis Retirement Housing Limited £2,043 (2006 £Nil)

Blencare Limited £8,099 (2006 £Nil)

Ground Rents (Regis) Limited £22,062 (2006 £Nil)

Long Term Reversions Limited £32,853 (2006 £Nil)

Waterglen Limited £49,340 (2006 £Nil)

Regis Group Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2007

The following amounts are owed to the Regis Group Services Limited, by companies related by the virtue of being controlled by the directors of the company, and arise as a result of investment and financial support given to the companies

EAML Limited £18,448 (2006 £16,126)

USA Ventures LLC £Nil (2006 £4,576,385)

Devigne Holdings Limited £111,547 (2006 £161,585)

Pier Management Limited £1,072,439 (2006 £460,220)

Regis Group Haven Court (Thorpe Bay) Limited £904,646 (2006 £621,002)

Sloane Street Management Holdings Limited £14,369,956 (2006 £Nil)

The company also owed Ground Rent Managers Limited £294 (2006 £Nil) in relation to services given for the management of property

At the balance sheet date the company had borrowed £129,119 (2006 £1,650,604) from its pension fund

Regis Group Services Ltd
Detailed Profit and Loss Account for the Year Ended 31 March 2007

	2007		2006
	£	£	£
Turnover			
Turnover		21,645	63,578
Cost of sales			
Property expenses		<u>(30,471)</u>	<u>(23,105)</u>
Gross (loss)/profit		(8,826)	40,473
Administrative expenses			
Wages and salaries	1,894,485		1,186,192
Staff training costs	5,190		4,160
Rent, rates and water	18,488		32,164
Light and heat	24		1,646
Insurance	26,080		17,092
Repairs and maintenance	22,187		33,612
Telephone	89,710		67,915
Printing, postage and stationery	34,604		26,473
Subscriptions and sponsorship	20,760		31,662
Donations	15,968		33,307
Sundry expenses	58,720		27,891
Computer expenses	69,031		17,708
Motor and travel expenses	179,117		145,212
Advertising	18,508		26,160
Entertaining	298,400		123,076
Accountancy fees	90,179		-
Auditors remuneration	27,673		12,899
Legal and professional fees	265,094		421,396
Bad debts written off	1,350,000		-
Bank charges	29,786		29,195
Foreign currency (gains)/losses	115,120		(96,798)
Depreciation	59,472		69,564
(Profit)/loss on disposal of fixed assets	13,956		(154,367)
		<u>(4,702,552)</u>	<u>(2,056,159)</u>
Other operating income			
Overheads recharged to related companies		3,126,031	2,090,200
Operating (loss)/profit		(1,585,347)	74,514

This page does not form part of the statutory financial statements

Regis Group Services Ltd
Detailed Profit and Loss Account for the Year Ended 31 March 2007

Investment income		
Dividends	-	320,679
Other interest receivable and similar income		
Bank interest receivable	46,424	121,440
Interest payable and similar charges		
Bank interest payable	193,571	256,140
Other interest payable	-	357,513
	<u>(193,571)</u>	<u>(613,653)</u>
Loss on ordinary activities before taxation	(1,732,494)	(97,020)
Tax on loss on ordinary activities		
Corporation tax charge	-	33,114
Over provision in previous year	-	(17,885)
	<u>-</u>	<u>(15,229)</u>
Loss for the financial year	<u>(1,732,494)</u>	<u>(112,249)</u>
Retained loss for the financial year	<u>(1,732,494)</u>	<u>(112,249)</u>