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Registration number 03742745

Regis Group Services Ltd

Directors' Report and Financial Statements
for the Year Ended 31 March 2010

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Regis Group Services Ltd

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Regis Group Services Ltd
Company Information

| | |
|--------------------------|--|
| Directors | P E Gould |
| | N C Gould |
| | P DeVigne (appointed 20 May 2010) |
| Secretary | N C Gould |
| Registered office | 7-11 Nelson Street Southend on Sea Essex SS1 1EH |
| Auditors | Rickard Keen LLP Chartered Accountants and Registered Auditors 7-11 Nelson Street Southend on Sea Essex SS1 1EH |

Regis Group Services Ltd
Directors' Report for the Year Ended 31 March 2010

The directors present their report and the audited financial statements for the year ended 31 March 2010

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,
- 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 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 2006. 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 management services to group and related companies.

Business review

Fair review of the business

During the year the company has continued with its principal activity of providing management services to group and related companies. Due to the nature of this activity the company's main source of income was from recharged expenses totalling £3,436,892 (2009 £4,092,744) during the year and its result was a loss before tax of £327,677 (2009 £714,082 profit). In the opinion of the directors, the uncomplicated nature of the company's business does not warrant an analysis of key performance indicators to fully understand the company's development, performance or position.

Position of the business

At the end of the year, the net liabilities totalled £2,923,098.

Regis Group Services Ltd
Directors' Report for the Year Ended 31 March 2010

continued

Principal risks and uncertainties

The directors consider the principal risk and uncertainty for the company is in ensuring sufficient funding is available to support group and related company operations as if appropriate facilities were not available the company would suffer cash flow problems. The directors consider that current facilities are secure and also continue to provide their own financial support to the company.

Financial risk

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank balances, group and related company debtors and creditors. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Debtors are managed in respect of credit and cash flow risk by group funding policies. Appropriate provision is made for bad debts as necessary.

Creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Results and dividend

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend.

Charitable donations

During the year the company made charitable donations of £18,888. Individual donations were

| | 2010 £ |
|---------------------|--------------|
| World Vision | 648 |
| The Fairfacts Fund | 13,903 |
| Little Havens | 205 |
| The Jack Foundation | 500 |
| Great Ormond Street | 250 |
| Southend Hospital | 1,062 |
| Other | <u>2,320</u> |

Regis Group Services Ltd
Directors' Report for the Year Ended 31 March 2010

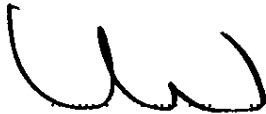
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Directors

The directors who held office during the year were as follows

- P E Gould
- N C Gould

Approved by the Board and signed on its behalf by



N C Gould
Company Secretary

Date 02/12/10

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 2010, set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

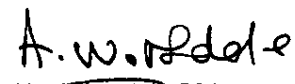
**Independent Auditors' Report to the Members of
Regis Group Services Ltd**

continued

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its 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


~~Alan Worsdale FCA~~
Senior Statutory Auditor

for and on behalf of
Rickard Keen LLP, Statutory Auditor

7-11 Nelson Street
Southend on Sea
Essex
SS1 1EH

Date *15th December, 2010.*

Regis Group Services Ltd
Profit and Loss Account for the Year Ended 31 March 2010

| | Note | 2010 £ | 2009 £ |
|---|------|-------------------------|-----------------------|
| Turnover | | 20,915 | 57,324 |
| Cost of sales | | (74,606) | - |
| Gross (loss)/profit | | <u>(53,691)</u> | <u>57,324</u> |
| Administrative expenses | | (3,541,803) | (3,652,025) |
| Other operating income | 2 | 3,436,892 | 4,092,744 |
| Operating (loss)/profit | 3 | <u>(158,602)</u> | <u>498,043</u> |
| Other interest receivable and similar income | | 964 | 265,684 |
| Interest payable and similar charges | 6 | (170,039) | (49,645) |
| (Loss)/profit on ordinary activities before taxation | | <u>(327,677)</u> | <u>714,082</u> |
| Tax on (loss)/profit on ordinary activities | 7 | (10,577) | - |
| (Loss)/profit for the financial year | 16 | <u><u>(338,254)</u></u> | <u><u>714,082</u></u> |

Turnover and operating (loss)/profit derive wholly from continuing operations

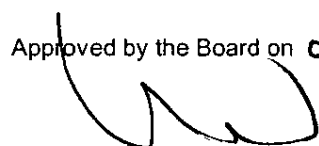
The company has no recognised gains or losses for the year other than the results above

The notes on pages 9 to 17 form an integral part of these financial statements

Regis Group Services Ltd
Balance Sheet as at 31 March 2010

| | | 2010 | 2009 |
|---|------|---------------------|---------------------|
| | Note | £ | £ |
| Fixed assets | | | |
| Tangible assets | 8 | 107,727 | 173,321 |
| Current assets | | | |
| Stocks | 9 | - | 33,515 |
| Debtors | 10 | 59,917,730 | 44,838,114 |
| Cash at bank and in hand | | 561,882 | 1,214,132 |
| | | <u>60,479,612</u> | <u>46,085,761</u> |
| Creditors Amounts falling due within one year | 11 | <u>(63,510,437)</u> | <u>(48,832,002)</u> |
| Net current liabilities | | <u>(3,030,825)</u> | <u>(2,746,241)</u> |
| Total assets less current liabilities | | <u>(2,923,098)</u> | <u>(2,572,920)</u> |
| Creditors Amounts falling due after more than one year | 12 | <u>-</u> | <u>(11,924)</u> |
| Net liabilities | | <u>(2,923,098)</u> | <u>(2,584,844)</u> |
| Capital and reserves | | | |
| Called up share capital | 15 | 1,000 | 1,000 |
| Profit and loss reserve | 16 | <u>(2,924,098)</u> | <u>(2,585,844)</u> |
| Shareholders' deficit | 17 | <u>(2,923,098)</u> | <u>(2,584,844)</u> |

Approved by the Board on 09/12/10 and signed on its behalf by



N C Gould
Director

The notes on pages 9 to 17 form an integral part of these financial statements

Regis Group Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2010

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Cash flow statement

As the company is a wholly owned subsidiary of Regis Services Holdings Limited, the financial statements of which are available from Companies House, it is exempt from the requirement to present a cash flow statement

Turnover

Turnover represents incidental income in respect of services provided

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 | 33 33% straight line basis |
| Office equipment | 20% straight line basis |
| Motor vehicles | 20% straight line basis |

Stock

Stock comprises of freehold property which is valued at the lower of cost and net realisable 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. Monetary 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 as tangible fixed assets 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 held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over their useful lives. 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 2010

continued

2 Other operating income

| | 2010 £ | 2009 £ |
|--|------------------|------------------|
| Overheads recharged to related companies | <u>3,436,892</u> | <u>4,092,744</u> |

3 Operating (loss)/profit

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

| | 2010 £ | 2009 £ |
|--|--------------|--------------|
| Auditors remuneration | 128,222 | 91,713 |
| Foreign currency (gains)/losses | (8,733) | (786,048) |
| (Profit)/loss on sale of fixed assets | (3,732) | 2,734 |
| Depreciation of owned tangible fixed assets | 67,458 | 65,760 |
| Depreciation of leased tangible fixed assets | <u>5,193</u> | <u>5,193</u> |

4 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

| | 2010 No | 2009 No |
|----------------|------------|------------|
| Management | 3 | 3 |
| Administration | <u>23</u> | <u>26</u> |
| | <u>26</u> | <u>29</u> |

The aggregate payroll costs of these persons were as follows

| | 2010 £ | 2009 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,042,490 | 1,043,687 |
| Social security costs | <u>108,060</u> | <u>121,054</u> |
| | <u>1,150,550</u> | <u>1,164,741</u> |

Regis Group Services Ltd
Notes to the Financial Statements for the Year Ended 31 March 2010

continued

5 Directors' remuneration

The directors' remuneration for the year are as follows

| | 2010 £ | 2009 £ |
|------------------|---------------|---------------|
| Benefits in kind | <u>14,367</u> | <u>17,624</u> |

6 Interest payable and similar charges

| | 2010 £ | 2009 £ |
|-----------------------------|-----------------------|----------------------|
| Interest on bank borrowings | 168,056 | 47,828 |
| Finance charges | <u>1,983</u> | <u>1,817</u> |
| | <u><u>170,039</u></u> | <u><u>49,645</u></u> |

Regis Group Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2010

continued

7 Taxation

Analysis of current period tax charge

| | 2010 £ | 2009 £ |
|---|---------------|-----------|
| Current tax | | |
| (Over)/under provision in previous year | <u>10,577</u> | <u>-</u> |

Factors affecting current period tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2009 - lower than) the standard rate of corporation tax in the UK of 28.00% (2009 - 28.00%)

The differences are reconciled below

| | 2010 £ | 2009 £ |
|--|------------------|----------------|
| (Loss)/profit on ordinary activities before taxation | <u>(327,677)</u> | <u>714,082</u> |
| Standard rate corporation tax (credit)/charge | (91,750) | 199,943 |
| Expenses not deductible for tax purposes | 25,500 | 58,150 |
| Depreciation in excess of capital allowances | 10,416 | 7,947 |
| Transfer pricing interest adjustment | 60,539 | (99,309) |
| Loss reliefs | (16,210) | (181,784) |
| Unrelieved losses | 11,505 | 15,053 |
| Under provision in previous year | <u>10,577</u> | <u>-</u> |
| Total current tax for the year | <u>10,577</u> | <u>-</u> |

Regis Group Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2010

continued

8 Tangible fixed assets

| | Motor vehicles £ | Office equipment £ | Computer equipment £ | Total £ |
|-------------------------|------------------------|--------------------------|----------------------------|----------------|
| Cost | | | | |
| As at 1 April 2009 | 248,813 | 117,702 | 85,495 | 452,010 |
| Additions | 8,525 | - | - | 8,525 |
| Disposals | (18,981) | - | - | (18,981) |
| As at 31 March 2010 | <u>238,357</u> | <u>117,702</u> | <u>85,495</u> | <u>441,554</u> |
| Depreciation | | | | |
| As at 1 April 2009 | 106,311 | 107,437 | 64,941 | 278,689 |
| Eliminated on disposals | (17,513) | - | - | (17,513) |
| Charge for the year | 53,296 | 5,874 | 13,481 | 72,651 |
| As at 31 March 2010 | <u>142,094</u> | <u>113,311</u> | <u>78,422</u> | <u>333,827</u> |
| Net book value | | | | |
| As at 31 March 2010 | <u>96,263</u> | <u>4,391</u> | <u>7,073</u> | <u>107,727</u> |
| As at 31 March 2009 | <u>142,502</u> | <u>10,265</u> | <u>20,554</u> | <u>173,321</u> |

Hire purchase agreements

Included within the total net book value of tangible fixed assets is £10,385 (2009 - £15,578) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £5,193 (2009 - £5,193)

9 Stocks and work in progress

| | 2010 £ | 2009 £ |
|---------------------|-----------|---------------|
| Stock of properties | <u>-</u> | <u>33,515</u> |

Regis Group Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2010

continued

10 Debtors

| | 2010 | 2009 |
|---------------------------------|-------------------|-------------------|
| | £ | £ |
| Trade debtors | - | 4,500 |
| Amounts owed by group companies | 42,511,964 | 34,064,528 |
| Other debtors | 16,856,715 | 10,041,311 |
| Prepayments and accrued income | 549,051 | 727,775 |
| | <u>59,917,730</u> | <u>44,838,114</u> |

11 Creditors Amounts falling due within one year

| | 2010 | 2009 |
|--|-------------------|-------------------|
| | £ | £ |
| Bank loans and overdrafts | 305,927 | 213,096 |
| Obligations under finance leases and hire purchase contracts | 11,924 | 12,089 |
| Trade creditors | 29,886 | 89,688 |
| Amounts owed to group undertakings | 51,348,487 | 44,670,288 |
| Social security and other taxes | 58,795 | 41,068 |
| Other creditors | 1,988,090 | 622,780 |
| Director current accounts | 9,767,328 | 3,182,993 |
| | <u>63,510,437</u> | <u>48,832,002</u> |

12 Creditors Amounts falling due after more than one year

| | 2010 | 2009 |
|--|-------------|---------------|
| | £ | £ |
| Obligations under finance leases and hire purchase contracts | <u>-</u> | <u>11,924</u> |

Regis Group Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2010

continued

13 Maturation of borrowings

Amounts repayable

| | Bank loans & overdrafts £ | Obligations under finance leases and HP contracts £ | Total £ |
|-------------------------------|---------------------------------|---|----------------|
| As at 31 March 2010 | | | |
| In one year or less on demand | 305,927 | 11,924 | 317,851 |
| | <u>305,927</u> | <u>11,924</u> | <u>317,851</u> |
| As at 31 March 2009 | | | |
| In one year or less on demand | 213,096 | 12,089 | 225,185 |
| Between one and two years | - | 11,924 | 11,924 |
| | <u>213,096</u> | <u>24,013</u> | <u>237,109</u> |

Short term borrowings comprise bank overdraft facilities at variable interest rates

14 Security of borrowings

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

Hire purchase liabilities are secured on the relevant asset

15 Share capital

| | 2010 £ | 2009 £ |
|---|--------------|--------------|
| 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 2010

continued

16 Reserves

| | Profit and loss reserve £ |
|--|--|
| Balance at 1 April 2009 | (2,585,844) |
| Transfer from profit and loss account for the year | (338,254) |
| Balance at 31 March 2010 | <u>(2,924,098)</u> |

17 Reconciliation of movements in shareholders' funds

| | 2010 £ | 2009 £ |
|--|--------------------|--------------------|
| (Loss)/profit attributable to members of the company | (338,254) | 714,082 |
| Opening shareholders' deficit | <u>(2,584,844)</u> | <u>(3,298,926)</u> |
| Closing shareholders' deficit | <u>(2,923,098)</u> | <u>(2,584,844)</u> |

Regis Group Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2010

continued

18 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 company is controlled by the directors N C Gould and P E Gould by virtue of their interest in the issued share capital of the ultimate parent company, Regis Group (Holdings) Limited (06742252), held both directly as individuals and indirectly through the Frank Gould 1998 No1 Settlement of which they are both trustees and beneficiaries

K E Bell, a member of Rickard Keen LLP, the company's auditors, is also a trustee of the Frank Gould 1998 No1 Settlement

Related party transactions

The company has taken advantage of the exemption granted by paragraph 3 (c) of FRS 8 not to disclose transactions with group companies

During the year the company provided investment and financial support to CAS Capital Limited, a company also under the control of N C Gould and P E Gould. At the balance sheet date the amount outstanding owed to the company was £16,786,629 (2009 £9,959,842)

The company acted as agent for the Regis Group Pension Fund in the receipt of income and the discharge of payments during the year. At the balance sheet date the amount outstanding owed by the company was £199,594 (2009 £185,226)

The company also acted as agent in receipt of income and discharge of payments for Thorpe Bay Estate Company Limited, of which 51% is controlled by a fellow group company. The total value of transactions during the year was £11,766 and at the balance sheet date the amount owed to the company was £33,548 (2009 £21,782)

During the year, the company also acted as agent in receipt of income and discharge of payments for Thorpe Estates Limited, of which 51% is controlled by a fellow group company. The total value of transactions during the year was £848 and at the balance sheet date the amount owed to the company was £42,611 (2009 £43,459)

Director's loan account

The following balance owed to the director was outstanding at the year end

| | Maximum Balance £ | 2010 £ | 2009 £ |
|-----------------------|-------------------------|-----------|-----------|
| N C Gould & P E Gould | 9,767,328 | 9,767,328 | 3,182,993 |

No interest is charged in respect of this balance