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Registration number: 03742745

Regis Group Services Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2015

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Regis Group Services Limited
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Regis Group Services Limited
Company Information

Directors	P DeVigne P McFadyen M Jones
Registered office	7-11 Nelson Street Southend on Sea Essex SS1 1EH
Auditors	Rickard Keen Limited Chartered Accountants and Registered Auditors 7-11 Nelson Street Southend on Sea Essex SS1 1EH

Regis Group Services Limited
Strategic Report for the Year Ended 31 March 2015

The directors present their strategic report for the year ended 31 March 2015.

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 £3,447,005 (2014: £2,555,534). Due to the write off of group company balances in the period, the result was a profit before tax of £101,708,186 (2014: £212,999 loss). 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.

Principal risks and uncertainties

The directors consider the principal risk and uncertainty for the company is in ensuring sufficient funding is available to support the 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.

Approved by the Board on 3/11/15 and signed on its behalf by:

.....
P McFadyen
Director

Regis Group Services Limited
Directors' Report for the Year Ended 31 March 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

Directors of the company

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

N C Gould (resigned 15 July 2015)

P E Gould (resigned 15 July 2015)

P DeVigne

P McFadyen

The following director was appointed after the year end:

M Jones (appointed 15 July 2015)

Financial instruments

Objectives and policies

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.

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

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.

Disclosure of information to the auditor

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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Approved by the Board on 31/3/2015 and signed on its behalf by:

.....
P McFadyen
Director

Regis Group Services Limited
Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent Auditor's Report to the Members of Regis Group Services Limited

We have audited the financial statements of Regis Group Services Limited for the year ended 31 March 2015, set out on pages 7 to 19. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of
Regis Group Services Limited**

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Opinion on the 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 2015 and of its profit 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.

A. Worsdale

~~Alan Worsdale~~ FCA (Senior Statutory Auditor)

For and on behalf of Rickard Keen Limited, Statutory Auditor

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

Date: *9th December, 2015.*

Regis Group Services Limited
Profit and Loss Account for the Year Ended 31 March 2015

	Note	2015 £	2014 £
Turnover		20,179	5,678
Cost of sales		<u>(1,223)</u>	<u>(2,777)</u>
Gross profit		18,956	2,901
Administrative expenses		97,865,102	(3,217,430)
Other operating income		<u>3,447,005</u>	<u>2,555,534</u>
Operating profit/(loss)	2	101,331,063	(658,995)
Other interest receivable and similar income	5	378,571	449,269
Interest payable and similar charges	6	<u>(1,448)</u>	<u>(3,273)</u>
Profit/(loss) on ordinary activities before taxation		101,708,186	(212,999)
Tax on profit/(loss) on ordinary activities	7	<u>(564,546)</u>	-
Profit/(loss) for the financial year	13	<u><u>101,143,640</u></u>	<u><u>(212,999)</u></u>

Turnover and operating profit derive wholly from continuing operations.

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

Regis Group Services Limited
(Registration number: 03742745)
Balance Sheet at 31 March 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible fixed assets	8	241,553	127,963
Current assets			
Debtors	9	30,317,250	97,733,399
Cash at bank and in hand		<u>75,247,866</u>	<u>4,245,674</u>
		105,565,116	101,979,073
Creditors: Amounts falling due within one year	10	<u>(10,630,485)</u>	<u>(108,067,513)</u>
Net current assets/(liabilities)		<u>94,934,631</u>	<u>(6,088,440)</u>
Total assets less current liabilities		95,176,184	(5,960,477)
Creditors: Amounts falling due after more than one year	11	<u>-</u>	<u>(6,979)</u>
Net assets/(liabilities)		<u>95,176,184</u>	<u>(5,967,456)</u>
Capital and reserves			
Called up share capital	12	1,000	1,000
Profit and loss account	13	<u>95,175,184</u>	<u>(5,968,456)</u>
Shareholders' funds/(deficit)	14	<u>95,176,184</u>	<u>(5,967,456)</u>

Approved and authorised for issue by the Board on 31/10/15 and signed on its behalf by:

.....
P McFadyen
Director

Regis Group Services Limited
Notes to the Financial Statements for the Year Ended 31 March 2015

1 Accounting policies

Basis of preparation

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

Exemption from preparing a cash flow statement

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group.

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:

Asset class	Depreciation method and rate
Computer equipment	3 year straight line basis
Office equipment	5 year straight line basis
Motor vehicles	5 year straight line basis

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Regis Group Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

Hire purchase and leasing

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 the shorter of the lease term and 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 the shorter of the lease term and 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 and represent a constant proportion of the balance of capital repayments outstanding.

Pensions

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

2 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2015 £	2014 £
Foreign currency (gains)/losses	(3,603,766)	435,045
Loss/(profit) on sale of tangible fixed assets	2,482	(458)
Depreciation of owned assets	96,533	52,245
Depreciation of assets held under finance lease and hire purchase contracts	3,600	38,048
Auditor's remuneration	<u>173,463</u>	<u>163,800</u>

3 Particulars of employees

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

	2015 No.	2014 No.
Administration and support	<u>33</u>	<u>28</u>

Regis Group Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... **continued**

The aggregate payroll costs were as follows:

	2015 £	2014 £
Wages and salaries	1,468,018	938,492
Social security costs	142,945	96,865
Staff pensions	9,971	-
	<u>1,620,934</u>	<u>1,035,357</u>

4 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration (including benefits in kind)	439,194	231,395
Company contributions paid to money purchase schemes	<u>1,667</u>	<u>-</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2015 No.	2014 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>-</u>

In respect of the highest paid director:

	2015 £	2014 £
Remuneration	<u>242,319</u>	<u>123,333</u>

5 Other interest receivable and similar income

	2015 £	2014 £
Bank interest receivable	44,058	2,959
Other interest receivable	329,848	408,742
Interest receivable from group companies	<u>4,665</u>	<u>37,568</u>
	<u>378,571</u>	<u>449,269</u>

Regis Group Services Limited
Notes to the Financial Statements for the Year Ended 31 March 2015
..... *continued*

6 Interest payable and similar charges

	2015 £	2014 £
Finance charges	1,448	3,273
	<u>1,448</u>	<u>3,273</u>

7 Taxation

Tax on profit/(loss) on ordinary activities

	2015 £	2014 £
Current tax		
Corporation tax charge	587,705	-
Deferred tax		
Origination and reversal of timing differences	(23,159)	-
Total tax on profit/(loss) on ordinary activities	<u>564,546</u>	<u>-</u>

Factors affecting current tax charge for the year

Tax on profit/(loss) on ordinary activities for the year is lower than (2014 - higher than) the standard rate of corporation tax in the UK of 21% (2014 - 23%).

The differences are reconciled below:

	2015 £	2014 £
Profit/(loss) on ordinary activities before taxation	101,708,186	(212,999)
Corporation tax at standard rate	21,358,719	(48,990)
Capital allowances in excess of depreciation	(4,343)	11,261
Transfer pricing interest adjustment	(23,671)	(142,664)
Non taxable income	(20,629,215)	-
Expenses not deductible for tax purposes	24,160	14,863
Brought forward tax losses utilised	(137,945)	-
Group relief	-	165,530
Total current tax	<u>587,705</u>	<u>-</u>

Regis Group Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

8 Tangible fixed assets

	Computer equipment £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 April 2014	215,828	196,240	117,702	529,770
Additions	71,485	157,350	6,121	234,956
Disposals	-	(84,930)	-	(84,930)
At 31 March 2015	<u>287,313</u>	<u>268,660</u>	<u>123,823</u>	<u>679,796</u>
Depreciation				
At 1 April 2014	166,142	117,963	117,702	401,807
Charge for the year	47,343	51,874	916	100,133
Eliminated on disposals	-	(63,697)	-	(63,697)
At 31 March 2015	<u>213,485</u>	<u>106,140</u>	<u>118,618</u>	<u>438,243</u>
Net book value				
At 31 March 2015	<u>73,828</u>	<u>162,520</u>	<u>5,205</u>	<u>241,553</u>
At 31 March 2014	<u>49,686</u>	<u>78,277</u>	<u>-</u>	<u>127,963</u>

Leased assets

Included within the net book value of tangible fixed assets is £7,659 (2014 - £76,921) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £3,600 (2014 - £38,048).

Regis Group Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

9 Debtors

	2015 £	2014 £
Trade debtors	1,600	2,110
Amounts owed by group undertakings	15,224,290	63,095,995
Other debtors	7,729,669	30,550,779
Deferred tax	23,159	-
Directors' current accounts	7,164,109	3,592,793
Prepayments and accrued income	174,423	491,722
	<u>30,317,250</u>	<u>97,733,399</u>

Deferred tax

The movement in the deferred tax asset in the year is as follows:

	£
Deferred tax credited to the profit and loss account	<u>23,159</u>

Analysis of deferred tax

	2015 £	2014 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>23,159</u>	-
	<u>23,159</u>	-

Regis Group Services Limited
Notes to the Financial Statements for the Year Ended 31 March 2015
..... *continued*

10 Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	201,109	28,752
Bank loans and overdrafts	27,577	30,613
Obligations under finance lease and hire purchase contracts	6,617	21,025
Amounts owed to group undertakings	4,121,290	106,550,437
Corporation tax	587,705	-
Other taxes and social security	53,087	186,047
Other creditors	1,448,859	508,794
Directors' current accounts	4,184,241	741,845
	<u>10,630,485</u>	<u>108,067,513</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company:

	2015 £	2014 £
Bank overdraft	27,577	30,613
Obligations under hire purchase contracts	6,617	21,025
	<u>34,194</u>	<u>51,638</u>

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.

Hire purchase liabilities are secured on the relevant asset.

Regis Group Services Limited
Notes to the Financial Statements for the Year Ended 31 March 2015
..... *continued*

11 Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Obligations under finance lease and hire purchase contracts	-	6,979

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company:

	2015 £	2014 £
Obligations under hire purchase contracts	-	6,979

Hire purchase liabilities are secured on the relevant asset.

Obligations under finance leases and HP contracts

Amounts repayable:

	2015 £	2014 £
In one year or less on demand	6,617	21,025
Between two and five years	-	6,979
	<u>6,617</u>	<u>28,004</u>

12 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Regis Group Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

13 Reserves

	Profit and loss account £	Total £
At 1 April 2014	(5,968,456)	(5,968,456)
Profit for the year	<u>101,143,640</u>	<u>101,143,640</u>
At 31 March 2015	<u>95,175,184</u>	<u>95,175,184</u>

14 Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Profit/(loss) attributable to the members of the company	<u>101,143,640</u>	<u>(212,999)</u>
Net addition/(reduction) to shareholders' funds	101,143,640	(212,999)
Shareholders' deficit at 1 April	<u>(5,967,456)</u>	<u>(5,754,457)</u>
Shareholders' funds/(deficit) at 31 March	<u>95,176,184</u>	<u>(5,967,456)</u>

15 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £9,971 (2014 - £nil).

Contributions totalling £3,457 (2014 - £nil) were payable to the scheme at the end of the year and are included in creditors.

16 Post balance sheet events

On 10 April 2015 the directors declared a dividend of £28,800,000.

Regis Group Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

17 Control

The company is controlled by its parent company Regis Services Holdings Limited which owns 100% of the issued share capital. The company is ultimately 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, 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 consultant with Rickard Keen Limited, the company's auditors is also a trustee of the Frank Gould 1998 No1 Settlement.

18 Related party transactions

Directors' advances and credits

	2015 Advance/ Credit £	2015 Repaid £	2014 Advance/ Credit £	2014 Repaid £
N C Gould				
Amounts paid in and expenses paid on behalf of the company	-	9,614,716	-	2,790,830
Advances and expenses paid by the company	6,172,320	-	3,714,288	-
	<u>6,172,320</u>	<u>9,614,716</u>	<u>3,714,288</u>	<u>2,790,830</u>
P E Gould				
Amounts paid in and expenses paid on behalf of the company	-	10,149,293	-	827,903
Advances and expenses paid by the company	13,715,000	-	4,527,114	-
	<u>13,715,000</u>	<u>10,149,293</u>	<u>4,527,114</u>	<u>827,903</u>
P DeVigne				
Advances and expenses paid by the company	5,610	-	-	-
	<u>5,610</u>	<u>-</u>	<u>-</u>	<u>-</u>

Other related party transactions

During the year the company made the following related party transactions:

N C Gould

(Director)

Advances, credits and repayment are detailed above. At the balance sheet date the amount due to N C Gould was £4,184,241 (2014 - £741,845).

P E Gould

(Director)

Advances, credits and repayments are detailed above. At the balance sheet date the amount due from P E Gould was £7,155,899 (2014 - £3,590,192).

Regis Group Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... **continued**

P DeVigne

(Director)

Advances, credits and repayments are detailed above. At the balance sheet date the amount due from P DeVigne was £8,210 (2014 - £2,600).

CAS Capital Limited

(A company under the control of N C Gould and P E Gould)

The company provided investment and financial support to CAS Capital Limited and during the period paid expenses amounting to £76,976. During the period CAS Capital Limited fully repaid all loans and expenses owed to the company. At the balance sheet date the amount due from CAS Capital Limited was £0 (2014 - £25,369,128).

CAS Capital 2010 Limited

(A company under the control of N C Gould and P E Gould)

There were no transactions during the year. At the balance sheet date the amount due from CAS Capital 2010 Limited was £11,118 (2014 - £11,118).

Regis Group PLC Directors Self Administered Pension Scheme

(Pension fund)

During the year the company acted as agent for the Pension Fund in receipt of income and discharge of payments during the year. Transactions during the year totalled £2,559. At the balance sheet date the amount due from/to Regis Group PLC Directors Self Administered Pension Scheme was £2,400 (2014 - (£159)).

Thorpe Estate Limited

(A company controlled by Regis Group (Holdings) Limited)

During the year the company acted as agent for Thorpe Estate Limited in receipt of income and discharge of payments. The total value of transactions in the period was £4,889. At the balance sheet date the amount due to Thorpe Estate Limited was £1,000 (2014 - £5,889).

Devignes Limited

(A company controlled by Regis Group (Holdings) Limited)

There were no transactions during the period. At the balance sheet date the amount due from Devignes Limited was £26,000 (2014 - £26,000).

Devignes No.2 Limited

(A company controlled by Regis Group (Holdings) Limited)

There were no transactions during the period. At the balance sheet date the amount due to Devignes No.2 Limited was £50,000 (2014 - £50,000).

R4 Capital Holdings Ltd

(A company under the control of N C Gould and P E Gould)

During the year the company continued to provide funding to R4 Capital Holdings Ltd amounting to £505,171, paid expenses amounting to £30,828 and charged interest of £329,848 (2014: £408,742) on amounts owed to it. Repayments of £2,422,008 were made during the period and movements in currency rates led to an exchange gain for the period of £382,471 (2014: £364,236 loss). At the balance sheet date the amount due from R4 Capital Holdings Ltd was £2,654,822 (2014 - £4,593,454)

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other wholly owned members of the group.