

Regeneris (Glasgow) Limited
(formerly Total Repair Solutions Limited)

**Directors' report and financial
statements**

Registered number SC112872
For the period ended 30 June 2010



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the directors' report and the financial statements	3
Independent auditors' report to the members of Regeneris (Glasgow) Limited (formerly Total Repair Solutions Limited)	4
Profit and loss account	6
Balance sheet	7
Statement of total recognised gains and losses	8
Notes	9

Directors' report

The directors present their report and the audited financial statements for the 15 month period ended 30 June 2010.

Principal activities and business review

The Company is principally engaged in repair, repair avoidance and customer support services relating to mobile phones.

On 1 September 2009, Regeneris plc purchased the entire share capital of the company for a consideration of £3.0 million in cash and £3.25 million of shares issued to the vendor. The cash was used to settle the bank borrowings of the company.

The alignment of the company's accounting estimates with that of the Regeneris Group resulted in an exceptional charge of £1,386,852 being recognised in the period.

Excluding this exceptional charge, the company made an operating profit of £293,192.

The repayment of bank borrowings as part of the acquisition process means that, despite the exceptional charge, the net assets of the business have doubled to £2,933,863, reflecting the increased stability and strength of the business within the Regeneris plc Group.

Within Regeneris plc, the company is the managerial core of the worldwide Mobile Communications division. It is also the logistical hub of the Mobile Communications division within the UK.

During the year, the company has continued to serve its clients with a consistently high achievement of the clients spend and quality demands.

Also, since the acquisition the company has been awarded preferred partner status by DHL to establish a combined logistics and service proposition to target the mobile market. This contract leverages the complementary skills of both organisations to deliver a more cost effective and efficient solution to a mutual client.

Change of name

On 19 February 2010, the company changed its name to Regeneris (Glasgow) Limited.

Results and dividends

The results of the company for the period are shown on page 6. The loss after tax for the 15 month period is £644,993 (*year ended 31 March 2009: profit £536,132*).

Key performance indicators

The Regeneris Group manages its operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the company. The development, performance and position of the Mobile Communications division of Regeneris plc, which includes the company, is discussed in the Group's annual report which does not form part of this report.

Commercially KPI's reflect the Service Level Agreements set within individual contracts and measuring and managing customer profitability. Formal reviews of the result for the division take place with the Directors and the management team of that division each month.

Principal risks and uncertainties

Group risks are managed at Group level, rather than on an individual business unit level. For this reason the company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of the company's business. The principal risks and uncertainties of the Regeneris group, which include those of the company, are discussed in the Group's annual report which does not form part of this report.

Directors' report *(continued)*

Directors

The directors who served during the period were as follows:

S Tansini	(resigned 1 September 2009)
WA Simpson	(resigned 1 September 2009)
GM Stokes	(appointed 1 September 2009)
DW Kelham	(appointed 1 September 2009, resigned 30 June 2010)
JMC Wilson	(appointed 7 June 2010)

Policy on the payment of creditors

It is the company's policy to set the terms of payments with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of these terms and to abide by them.

Creditor days at the period end were 52 days (*year ended 31 March 2009: 56 days*).

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the company may continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

Employee involvement

The company has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the company.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Ernst & Young LLP resigned as auditors on 4 December 2009 and KPMG Audit Plc were appointed by the directors.

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Audit Plc will therefore continue in office.

On behalf of the board



JMC Wilson
Director

32 Fountain Drive
Inchinnan Business park
Inchinnan
Renfrewshire
PA4 9RF

15 September 2010

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 then apply them consistently;
- make judgments and 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 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.



KPMG Audit Plc

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditors' report to the members of Regeneris (Glasgow) Limited (formerly Total Repair Solutions Limited)

We have audited the financial statements of Regeneris (Glasgow) Limited (formerly Total Repair Solutions Limited) for the 15 month period ended 30 June 2010 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 3, 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

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP

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 30 June 2010 and of its loss for the 15 month period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Regenersis (Glasgow) Limited (formerly Total Repair Solutions Limited) *(continued)*

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.



PN Meehan (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

15 September 2010

Profit and loss account
for the period ended 30 June 2010

	<i>Note</i>	15 month period ended 30 June 2010 £	Year ended 31 March 2009 £
Turnover	<i>1,2</i>	28,753,550	22,542,143
Cost of sales		(22,412,324)	(16,032,997)
Gross profit		6,341,226	6,509,146
Administrative expenses before exceptional items	<i>3</i>	(6,048,034)	(5,856,198)
Operating profit before exceptional items		293,192	652,948
Administrative exceptional items		(1,386,852)	-
Administrative expenses		(7,434,886)	(5,854,198)
Operating (loss)/profit	<i>3</i>	(1,093,660)	652,948
Interest payable and similar charges	<i>6</i>	(15,480)	(113,666)
(Loss)/profit on ordinary activities before taxation		(1,109,140)	539,282
Tax on (loss)/profit on ordinary activities/group relief payable	<i>7</i>	464,147	(3,150)
(Loss)/profit for the financial year	<i>15</i>	(644,993)	536,132

All activities of the company are classed as continuing.

Balance sheet
at 30 June 2010

	<i>Note</i>	30 June 2010	31 March 2009
		£	£
Fixed assets			
Tangible assets	8	991,651	1,215,199
Current assets			
Assets held for resale	9	-	2,370,583
Stocks	10	832,340	1,566,193
Debtors	11	3,226,746	3,106,930
Cash at bank and in hand		248,939	4,308
		<u>4,308,025</u>	<u>7,048,014</u>
Creditors: Amounts falling due within one year	12	<u>(2,365,813)</u>	<u>(5,486,171)</u>
Net current assets		<u>1,942,212</u>	<u>1,561,843</u>
Total assets less current liabilities		<u>2,933,863</u>	<u>2,777,042</u>
Creditor: Amounts falling due after more than one year	13	-	(1,326,875)
Net assets		<u>2,933,863</u>	<u>1,450,167</u>
Capital and reserves			
Called up share capital	14	1,000	1,000
Profit and loss account	15	2,932,863	1,449,167
Shareholders' funds	16	<u>2,933,863</u>	<u>1,450,167</u>

These financial statements were approved by the board of directors on 15 September 2010 and were signed on its behalf by:



JMC Wilson
Director

Company registered number: SC112872

Statement of total recognised gains and losses
for the period ended 30 June 2010

	15 month period ended 30 June 2010 £	Year ended 31 March 2009 £
(Loss)/profit for the financial year	(644,993)	536,132
Release of revaluation reserve on transfer of assets held for resale	-	(644,244)
Total recognised profit/(loss) for the period	(644,993)	(108,112)

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Cash flow statement

The directors have taken advantage of the exemption in FRS 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Tangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold land and buildings	0-2.5% straight line basis
Leasehold improvements	25% straight line basis
Plant and equipment	25% straight line basis
Fixtures and fittings	25% straight line basis
Computer equipment	25% straight line basis

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Work in progress is valued on the basis of direct costs.

Cost is the purchase price, including transport and handling charges, less trade discounts. Net realisable value is the estimated selling price, after trade discounts, less all costs incurred in marketing, selling and distribution.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can be reasonably regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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 otherwise required by FRS 19.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the profit and loss account.

Government grants

Government grants are included within accruals and deferred income. Capital grants are credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate. Other grants are credited to the profit and loss account in the same period as the costs to which they relate are incurred.

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company, being the service and repair of electronic equipment. All turnover arises in the United Kingdom.

3 Operating profit

	15 month period ended 30 June 2010 £	Year ended 31 March 2009 £
<i>Operating profit is stated after charging/(crediting)</i>		
Depreciation:		
Owned fixed assets	845,040	641,586
Finance leases	-	9,075
Auditors' remuneration – audit of these financial statements	12,000	12,000
Release of deferred government grant	-	(52,632)
Provision against government grants	60,000	-
Exceptional items	1,386,852	-

Exceptional operating items arose on the alignment of the company's accounting estimates to those of Regeneris plc following acquisition of the entire issued share capital of the company on 1 September 2009. This principally related to alignments in respect of stock provisioning, together with adjustments to accrued income balances.

Fees paid to the company's auditors, KPMG Audit Plc and its associates for other than the statutory audit of the company are not disclosed in these financial statements since the consolidated financial statements of the company's parent, Regeneris plc, are required to disclose non-audit fees on a consolidated basis.

Notes (continued)

4 Staff numbers and costs

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

	Number of employees	
	15 month period ended 30 June 2010	Year ended 31 March 2009
Sales and administration	68	68
Operations, engineers and technicians	439	417
	<u>507</u>	<u>485</u>

The aggregate payroll costs of the above were:

	£	£
Wages and salaries	10,468,619	8,603,675
Social security costs	895,881	714,667
Other pension costs	337,765	218,405
	<u>11,702,265</u>	<u>9,536,747</u>

5 Remuneration of directors

	15 month period ended 30 June 2010 £	Year ended 31 March 2009 £
Aggregate emoluments	<u>101,083</u>	<u>234,500</u>
Company pension contributions to money purchase scheme	<u>20,625</u>	<u>16,500</u>

Emoluments for one director are borne by the ultimate parent company. The amounts in respect of the highest paid director are as follows:

	15 month period ended 30 June 2010 £	Year ended 31 March 2009 £
Aggregate emoluments	<u>101,083</u>	<u>236,298</u>
Company pension contributions to money purchase scheme	<u>6,875</u>	<u>16,500</u>

No directors exercised any share options during the year.

Notes (continued)

6 Interest payable and similar charges

	15 month period ended 30 June 2010 £	Year ended 31 March 2009 £
Interest payable on bank loans and overdrafts	15,480	113,666

7 Tax on (loss)/profit on ordinary activities

(a) Analysis of (credit)/charge in period

	15 month period ended 30 June 2010 £	Year ended 31 March 2009 £
UK corporation tax		
Current tax	-	3,150
Deferred tax		
Origination/(reversal) of timing differences	(454,788)	-
Adjustment in respect of prior years	(9,359)	-
Tax on (loss)/profit on ordinary activities	(464,147)	3,150

(b) Factors affecting the tax (credit)/charge for the current period

The current tax (credit)/charge for the period is lower (year ended 31 March 2009: lower) than the standard rate of corporation tax in the UK of 28% (year ended 31 March 2009: 28%). The differences are explained below:

	15 month period ended 30 June 2010 £	Year ended 31 March 2009 £
Current tax reconciliation		
(Loss)/profit on ordinary activities before tax	(1,109,140)	539,282
Current tax at 28% (2009: 28%)	(310,559)	150,999
Effects of:		
Expenses not deductible for tax purposes	6,633	47,692
Depreciation for period (less than)/in excess of capital allowances	44,593	27,934
Other timing differences	(2,701)	(16,248)
Increase in/(utilisation of) tax losses	89,311	(192,490)
Grant release in period	-	(14,737)
Group relief	172,723	-
Total current tax (see above)	-	3,150

Notes (continued)

7 Tax on profit/(loss) on ordinary activities (continued)

(c) Factors that may affect future tax charges

Based on the current investment plans, the company expects that depreciation will be in excess of capital allowances in future years.

Deferred tax assets have only been recognised to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the reversal of the underlying timing differences can be deducted.

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% was substantively enacted on 20 July 2010 and will be effective from 1 April 2011. This will reduce the company's future current tax charge accordingly. If the rate change from 28% to 27% had been substantively enacted on or before the balance sheet date it would have had the effect of reducing the deferred tax asset recognised at that date by £16,912. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax assets accordingly.

(d) Deferred tax

A deferred tax asset of £473,511 (2009: £Nil) has been recognised in the financial statements. This consists of the following:

	2010		2009	
	Unrecognised	Recognised	Unrecognised	Recognised
	£	£	£	£
Accelerated capital allowances	-	60,317	(8,558)	-
Other timing differences	-	8,237	(9,372)	-
Tax losses	-	404,977	(316,466)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred tax asset	-	473,531	(334,396)	-
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

8 Tangible fixed assets

	Plant and equipment	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At beginning of period	1,274,324	812,047	2,204,130	4,290,501
Additions	256,104	79,109	419,390	754,603
Disposals	-	(444,235)	-	(444,235)
At end of period	1,530,428	446,921	2,623,520	4,600,869
Depreciation				
At beginning of period	978,627	615,899	1,480,776	3,075,302
Charge for the period	402,946	44,680	397,414	845,040
Release on disposals	-	(311,124)	-	(311,124)
At end of period	1,381,573	349,455	1,878,190	3,609,218
Net book value				
At 30 June 2010	148,855	97,466	745,330	991,651
At 31 March 2009	295,697	196,148	723,354	1,215,199

Included in the net book value of plant and equipment is £Nil (31 March 2009: £Nil) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the period on these assets was £Nil (31 March 2009: £9,075).

9 Assets held for resale

The property previously held in fixed assets was sold in June 2009 at the carrying value.

10 Stocks

	30 June 2010	31 March 2009
	£	£
Raw materials	733,409	1,240,741
Work in progress	98,931	325,452
	832,340	1,566,193

Notes (continued)

11 Debtors

	30 June 2010 £	31 March 2009 £
Trade debtors	1,830,077	2,337,720
Amounts owed by group undertakings	200,164	-
Other debtors	10,995	70,358
Deferred tax asset (note 7)	473,531	-
Prepayments and accrued income	711,979	698,852
	<u>3,226,746</u>	<u>3,106,930</u>

12 Creditors: Amounts falling due within one year

	30 June 2010 £	31 March 2009 £
Bank overdraft	-	3,141,521
Bank loan	-	111,250
Trade creditors	1,270,882	1,235,919
Amounts owed to group undertakings	-	3,150
Other taxation and social security	218,921	208,006
Accruals and deferred income	513,599	210,643
VAT	362,411	575,682
	<u>2,365,813</u>	<u>5,486,171</u>

13 Creditors: Amounts falling due after more than one year

	30 June 2010 £	31 March 2009 £
Bank loan	-	1,326,875
	<u>-</u>	<u>1,326,875</u>

Not wholly repayable within five years:

£1,875,000 bank loan at 2.5% per annum over base rate, repayable in quarterly instalments of £23,437.50 commencing 1 October 2003	-	1,293,750
£175,000 bank loan at 3% per annum over base rate, repayable in quarterly instalments of £4,375 commencing 1 October 2003	-	144,375
	<u>-</u>	<u>1,438,125</u>
Less: included in creditors: amounts falling due within one year	-	111,250
	<u>-</u>	<u>1,326,875</u>

Notes (continued)

13 Creditors: Amounts falling due after more than one year (continued)

Amounts repayable:

	30 June 2010 £	31 March 2009 £
In one year or less, or on demand	-	111,250
In more than one year but not more than two years	-	111,250
In more than two years but not more than five years	-	333,750
	<hr/>	<hr/>
	-	556,250
In more than five years	-	881,875
	<hr/>	<hr/>
	-	1,438,125
	<hr/>	<hr/>

The bank loan was secured by a standard security over the company's premises.

14 Share capital

	2010 £	2009 £
Authorised:		
50,000 ordinary shares of £1 each	50,000	50,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

15 Reserves

	Profit and loss account £
At beginning of period	1,449,167
Loss for the financial period	(644,993)
Capital contribution	3,082,152
Dividends paid	(953,463)
	<hr/>
At end of period	2,932,863
	<hr/>

The capital contribution of £3,082,152 arose on 1 September 2009 and relates to the settlement of the bank loan at the time the company was acquired by Regenersis plc.

Notes (continued)

16 Reconciliation of movements in shareholders' funds

	30 June 2010 £	31 March 2009 £
(Loss)/profit for the financial period	(644,993)	536,132
Transfer of assets held for resale	-	(644,247)
Capital contribution (note 15)	3,082,152	-
Dividends paid	(953,463)	-
	<hr/>	<hr/>
Net addition to shareholders' funds	1,483,696	(108,115)
Opening equity shareholders' funds	1,450,167	1,558,282
	<hr/>	<hr/>
Closing equity shareholders' funds	2,933,863	1,450,167
	<hr/>	<hr/>

17 Commitments

At 30 June 2010, the company had annual commitments under non-cancellable operating leases as set out below:

	Other items 30 June 2010 £	31 March 2009 £
Operating leases which expire:		
Within one year	540	3,916
Within two to five years	18,515	2,160
In more than five years	300,000	-
	<hr/>	<hr/>
	319,055	6,076
	<hr/>	<hr/>

18 Capital commitments

As at 30 June 2010, the company did not have any capital commitments outstanding (31 March 2009: £Nil).

19 Pensions

The company provides pension benefits to employees through the Interactive Telecom Solutions Limited Group Pension Scheme. This is a money purchase scheme to which both the company and employer contribute. Contributions payable for the period were £337,765 (31 March 2009: £218,405). There was £36,397 (31 March 2009: £29,613) of unpaid contribution at 30 June 2010.

20 Guarantees

The company has guaranteed, via fixed and floating charges over the whole of its property, undertaking and assets, the bank borrowings of other companies in the Regeneris plc group. At 30 June 2010, the liability covered by this guarantee amounted to £6,500,000 (31 March 2009: £Nil).

Notes *(continued)*

21 Related party transactions

As a wholly owned subsidiary of Regeneris plc, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Regeneris plc.

22 Ultimate parent company

The company's immediate and ultimate parent undertaking is Regeneris plc, a company incorporated in the United Kingdom.

Copies of the financial statements of Regeneris plc can be obtained from:

4 Elm Place
Old Witney Road
Eynsham
Oxfordshire
OX29 4BD