

Company Registration No. 03742745 (England and Wales)

REGIS GROUP SERVICES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018
PAGES FOR FILING WITH REGISTRAR



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REGIS GROUP SERVICES LIMITED

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REGIS GROUP SERVICES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		134,869		97,506
Current assets					
Debtors	5	43,668,679		27,592,194	
Cash at bank and in hand		49,899,035		45,008,656	
		<u>93,567,714</u>		<u>72,600,850</u>	
Creditors: amounts falling due within one year	6	<u>(33,056,608)</u>		<u>(2,498,071)</u>	
Net current assets			60,511,106		70,102,779
Total assets less current liabilities			60,645,975		70,200,285
Creditors: amounts falling due after more than one year	7		-		(4,254)
Net assets			<u>60,645,975</u>		<u>70,196,031</u>
Capital and reserves					
Called up share capital	9		1,000		1,000
Profit and loss reserves	10		60,644,975		70,195,031
Total equity			<u>60,645,975</u>		<u>70,196,031</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 14.12.18 and are signed on its behalf by:


P DeVigne
Director

Company Registration No. 03742745

REGIS GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Regis Group Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7 Nelson Street, Southend-on-Sea, Essex, SS1 1EH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Regis Group (Holdings) Limited. These consolidated financial statements are available from its registered office, 7 Nelson Street, Southend-on-Sea, Essex, SS1 1EH.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

REGIS GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	5 year straight line
Computer equipment	3 year straight line
Motor vehicles	5 year straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

REGIS GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

REGIS GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.9 Derivatives

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

REGIS GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 35 (2017 - 36).

3 Tangible fixed assets

Plant and machinery etc £

Cost

At 1 April 2017 588,638

Additions 101,719

At 31 March 2018 690,357

Depreciation and impairment

At 1 April 2017 491,132

Depreciation charged in the year 64,356

At 31 March 2018 555,488

Carrying amount

At 31 March 2018 134,869

At 31 March 2017 97,506

4 Financial instruments

2018

£

2017

£

Carrying amount of financial assets

Instruments measured at fair value through profit or loss

-

174,613

REGIS GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

5 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	2,580	2,061
Corporation tax recoverable	653,711	1,153,102
Amounts owed by group undertakings	29,862,494	9,289,103
Other debtors	13,118,233	17,119,804
	<u>43,637,018</u>	<u>27,564,070</u>
Deferred tax asset	31,661	28,124
	<u>43,668,679</u>	<u>27,592,194</u>

6 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	588	30,720
Trade creditors	134,686	204,382
Amounts due to group undertakings	27,457,065	131,174
Other taxation and social security	115,706	375,737
Other creditors	5,348,563	1,756,058
	<u>33,056,608</u>	<u>2,498,071</u>

7 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	-	4,254
	<u>-</u>	<u>4,254</u>

8 Loans and overdrafts

	2018 £	2017 £
Bank overdrafts	588	30,720
	<u>588</u>	<u>30,720</u>
Payable within one year	588	30,720
	<u>588</u>	<u>30,720</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.

REGIS GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

9 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

10 Profit and loss reserves

	2018 £	2017 £
At the beginning of the year	70,195,031	116,009,506
Profit for the year	8,449,944	17,185,525
Dividends declared and paid in the year	(18,000,000)	(63,000,000)
At the end of the year	<u>60,644,975</u>	<u>70,195,031</u>

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Alan Worsdale.
The auditor was Rickard Luckin Limited.

12 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018 £	2017 £
	49,276	78,844

REGIS GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

13 Related party transactions

Transactions with related parties

Companies under common control

During the year funds were transferred both to and from the company totalling £2,544,397 (2017: £822,073). Interest charged during the period amounted to £179,642 (2017: £111,234).

At the balance sheet date there were amounts owing to the related parties totalling £63,839 (2017: £2,300,916 owed by).

Pension Fund

During the year the company acted as agent for the related party in receipt of income and discharge of payments during the year. Transactions during the year totalled £10,918 (2017: (£77,793)).

At the balance sheet date there were amounts owing to the related party totalling £13,909 (2017: £2,991).

A 51% owned Subsidiary

During the year the company acted as agent for the related party in receipt of income and discharge of payments during the year. Transactions during the year totalled £15,665 (2017: £441).

At the balance sheet date there were amounts owed to the related party totalling £15,366 (2017: £299 owed by).

REGIS GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

14 Parent company

The company is a wholly owned subsidiary of Regis Services Holdings Limited, a company incorporated in the UK with a registered office of 7 Nelson Street, Southend-On-Sea, Essex, SS1 1EH.

The ultimate parent company is Regis Group (Holdings) Limited a company incorporated in the UK with a registered office of 7 Nelson Street, Southend-On-Sea, Essex, SS1 1EH.

Regis Group (Holdings) Limited prepares consolidated accounts which are available to the public from Companies House at Crown Way, Cardiff, CF14 3UZ, DX 33050, Cardiff. This is both the largest and smallest group of undertakings for which consolidated accounts are drawn up.

The company is ultimately controlled by 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 Luckin Limited, the company's auditors is also a trustee of the Frank Gould 1998 No1 Settlement.

15 Directors' transactions

Description	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Loan	1,044,164	13	-	-	1,044,177
	<u>1,044,164</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>1,044,177</u>