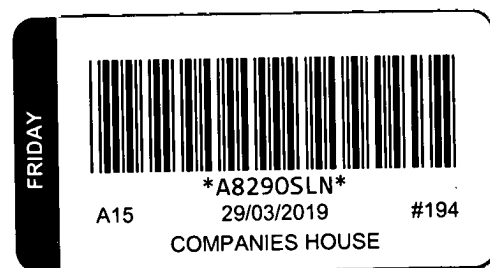


**REGIS MUTUAL MANAGEMENT LIMITED**

**Annual Report and Financial Statements**

**for the year ended 30 June 2018**

**Company Registration No. 04194000 (England and Wales)**



## Company Information

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**Directors**

P Koronka  
P J Ames  
I Campbell  
C O'Donnell  
G J Ewing  
W R Rollo  
R S Tarbuck  
P D Wagg

Resigned 7 March 2019

Resigned 3<sup>rd</sup> October 2017

Resigned 25 September 2018

**Company number**

04194000

**Registered office**

7 Maltings Place  
169 Tower Bridge Road  
London  
SE1 3JB

**Auditor**

Goodman Jones LLP  
29-30 Fitzroy Square  
London  
W1T 6LQ

**Financial Conduct Authority****Firm Reference Number**

479202

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# Strategic Report

## for the year ended 30 June 2018

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The Directors present their strategic report for the year ended 30 June 2018.

### Review of the business

The Regis Group continued to grow income from existing and new business during the year and this is reflected in the turnover of £17.0 million compared to £14.2 million in the prior year.

There continues to be an increasing trend towards the use of discretionary mutuals to manage risk as an alternative to conventional insurance products. Regis has a unique market-leading position in the industry and a strong pipeline of potential new mutual opportunities and, with the recent investment in infrastructure, is well positioned to build on the growth of recent years. The Group has continued to invest in developing these new business opportunities in both its core mutual business and in its contact centre business and in the supporting infrastructure to service and manage its clients. The £848k loss for the year reflects the significant investment that has been made in the business with a view to significant profitable growth over the coming years.

Details of significant events since the balance sheet date are included in Note 26 to the financial statements.

### Key performance indicators

A number of performance indicators are considered in managing the business. The key indicators are turnover, administrative expenses, headcount and profit before tax, all of which are detailed in the financial statements and commented on in the review of the business above.

### Principal Risks and Uncertainties

Risks and uncertainties are monitored and assessed by the Group on a continual basis.

The Group does not take any underwriting related risk and has limited exposure to interest rate risk and credit risk. It is exposed to exchange rate related risk in relation to the inclusion of its Australian operation in the consolidated accounts. Liquidity risk is managed through contractual arrangements with its clients and through regular cashflow monitoring.

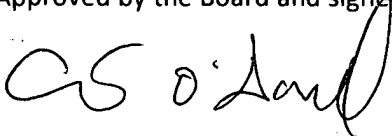
The Group mitigates its exposure to the risk of losing revenue through the long-term nature of its business and its contractual arrangements with its clients and mitigates the risk of dependency on specific clients or segments by having a diverse client base.

The Group has appropriate procedures in place to minimise operational risk and a disaster recovery plan to address related risks.

### Strategic relationships

The Group believes the way in which it behaves and interacts with its stakeholders is essential to the business's success and development. Key stakeholders include the Regis Group employees who are highly valued and who are essential to the ongoing success of the Company, our clients who we work in partnership with to manage and develop their mutuals, and our key suppliers with whom we continue to have strong relationships.

Approved by the Board and signed on its behalf by:



C O'Donnell  
Director

29 March 2019

# **Report of the Directors**

## **for the year ended 30 June 2018**

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The Directors present their annual report and financial statements for the year ended 30 June 2018.

### **Principal activity**

The principal activity of the Company and Group continued to be the creation and management of discretionary mutuals, which provide an alternative to conventional insurance. The Company is authorised and regulated by the Financial Conduct Authority.

### **Directors**

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

P Koronka  
P J Ames (Resigned 7 March 2019)  
I Campbell (Resigned 3<sup>rd</sup> October 2017)  
C O'Donnell  
G J Ewing  
W R Rollo (Resigned 25 September 2018)  
R S Tarbuck  
P D Wagg

### **Results and dividends**

The results for the year are set out on page 7. No ordinary dividends were paid. The Directors do not recommend payment of a dividend.

### **Future developments**

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 1 and form part of this report by cross-reference.

### **Financial risk management objectives and policies**

The Group's activities expose it to a number of financial risks and these are addressed in the Strategic Report on page 1.

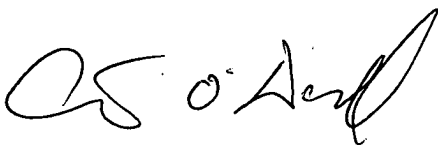
### **Auditor**

The auditors, Goodman Jones LLP, are deemed to be re-appointed under s487(2) of the Companies Act 2006.

### **Statement of disclosure to auditors**

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the Company and Group is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the Company and Group is aware of that information.

Approved by the Board and signed on its behalf by:



C O'Donnell  
Director

29 March 2019

## **Directors' Responsibilities Statement** for the year ended 30 June 2018

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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 Group, and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then 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;
- 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 and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Independent Auditor's Report for the year ended 30 June 2018

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## Opinion

We have audited the financial statements of Regis Mutual Management Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2018 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2018 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.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Independent Auditor's Report for the year ended 30 June 2018**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.



# Independent Auditor's Report for the year ended 30 June 2018

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## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



**Amit Sharma (Senior Statutory Auditor)**  
**For and on behalf of Goodman Jones LLP**

**Chartered Accountants**  
**Statutory Auditor**

29-30 Fitzroy Square  
London  
W1T 6LQ

29 March 2019

**Group Profit and Loss Account**  
for the year ended 30 June 2018

	Note	2018 £	2017 £
Turnover	3	17,004,179	14,212,731
Administrative expenses		(17,934,755)	(14,791,331)
<b>Operating loss</b>	4	<u>(930,576)</u>	<u>(578,600)</u>
Interest receivable & similar income	8	6,664	276,085
Interest payable & similar charges	9	(33,172)	(316,435)
<b>Loss before taxation</b>		<u>(957,084)</u>	<u>(618,950)</u>
Taxation	10	103,695	64,213
<b>Loss for the financial year</b>		<u><u>(853,389)</u></u>	<u><u>(554,737)</u></u>

**Group Statement of Comprehensive Income**  
for the year ended 30 June 2018

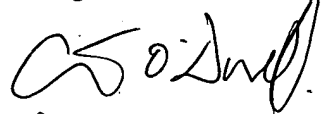
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	2018 £	2017 £
<b>Loss for the year</b>	(853,389)	(554,737)
<b>Other comprehensive income</b>		
Foreign currency translation differences	5,339	17,335
<b>Total comprehensive income for the year</b>	<u>(848,050)</u>	<u>(537,402)</u>
<b>Total comprehensive income for the year is attributable to:</b>		
Non-controlling interest	(82,683)	(70,727)
Equity shareholders of the Company	(765,367)	(466,675)
	<u>(848,050)</u>	<u>(537,402)</u>

**Group Balance Sheet**  
As at 30 June 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	11	450,192	660,459
Tangible assets	12	210,688	246,742
Investments	13	-	6,600,000
		<u>660,880</u>	<u>7,507,201</u>
<b>Current assets</b>			
Debtors falling due within one year	16	2,923,536	2,493,717
Debtors falling due after more than one year	16	616,084	-
Cash at bank and in hand		<u>1,787,976</u>	<u>944,446</u>
		5,327,596	3,438,163
Creditors: amounts falling due within one year	17	(5,505,543)	(3,118,273)
<b>Net current assets</b>		<u>(177,947)</u>	<u>319,890</u>
Total assets less current liabilities		482,933	7,827,091
Creditors: amounts falling due after more than one year	18	(50,000)	(7,150,000)
Provision for liabilities	19	(130,168)	(121,008)
<b>Net assets</b>		<u>302,765</u>	<u>556,083</u>
<b>Capital and reserves</b>			
Called-up share capital	21	919	1,056
Capital redemption reserve fund		343	68
Share premium account		1,146,669	694,105
Profit and loss account		(709,956)	(86,619)
<b>Equity attributable to owners of the parent company</b>		<u>437,975</u>	<u>608,610</u>
Non-controlling interests		(135,210)	(52,527)
<b>Total equity</b>		<u>302,765</u>	<u>556,083</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 March 2019 and are signed on its behalf by:



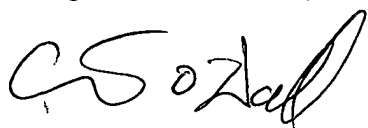
C O'Donnell  
Director

**Company Balance Sheet**  
As at 30 June 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	11	308,178	455,706
Tangible assets	12	179,829	200,877
Investments in subsidiaries	13	1,683,669	1,683,618
Other investments	13	-	6,600,000
		<u>2,171,676</u>	<u>8,940,201</u>
<b>Current assets</b>			
Debtors falling due within one year	16	2,208,304	1,742,776
Debtors falling due after more than one year	16	616,084	-
Cash at bank and in hand		<u>642,806</u>	<u>419,671</u>
		3,467,194	2,162,447
Creditors: amounts falling due within one year	17	(4,195,092)	(2,637,278)
<b>Net current liabilities</b>		<u>(727,898)</u>	<u>(474,831)</u>
Total assets less current liabilities		1,443,778	8,465,370
Creditors: amounts falling due after more than one year	18	(50,000)	(7,150,000)
Provision for liabilities	19	(17,000)	(48,797)
<b>Net assets</b>		<u>1,376,778</u>	<u>1,266,573</u>
<b>Capital and reserves</b>			
Called-up share capital	21	919	1,056
Capital redemption reserve fund	21	343	68
Share premium account	21	1,146,669	694,105
Profit and loss account	21	(521,153)	(178,656)
Revaluation reserve	21	750,000	750,000
<b>Total equity</b>		<u>1,376,778</u>	<u>1,266,573</u>

Company registration number 04194000 (England and Wales)

The financial statements were approved by the Board of Directors and authorised for issue on 29 March 2019 and are signed on its behalf by:



C O'Donnell  
Director

# **Group Statement of Changes in Equity** for the year ended 30 June 2018

	Share capital	Share premium account	Capital redemption reserve fund	Profit and loss reserve	Total controlling interest	Non- controlling interest	Total equity
	£	£	£	£	£	£	£
<b>At 30 June 2017</b>	1,056	694,105	68	(86,619)	608,610	(52,527)	556,083
Total comprehensive income for the year	-	-	-	(765,367)	(765,367)	(82,683)	(848,050)
Purchase of own shares	(275)	(749,725)	275	(355,775)	(1,105,500)	-	(1,105,500)
Issue of own shares	138	1,700,094	-	-	1,700,232	-	1,700,232
Capital reduction	-	(497,805)	-	497,805	-	-	-
Transfer of share premium to distributable funds	-	-	-	-	-	-	-
<b>At 30 June 2018</b>	<b>919</b>	<b>1,146,669</b>	<b>343</b>	<b>(709,956)</b>	<b>437,975</b>	<b>(135,210)</b>	<b>302,765</b>

**Company Statement of Changes in Equity**  
for the year ended 30 June 2018

	Share capital	Share premium account	Capital redemption reserve fund	Revaluation reserve	Profit and loss reserve	Total equity
	£	£	£	£	£	£
<b>At 30 June 2017</b>	1,056	694,105	68	750,000	(178,656)	1,266,573
Total comprehensive income for the year	-	-	-	-	(484,527)	(484,527)
Purchase of own shares	(275)	(749,725)	275	-	(355,775)	(1,105,500)
Issue of own shares	138	1,700,094	-	-	-	1,700,232
Capital reduction	-	(497,805)	-	-	497,805	-
Transfer of share premium to distributable funds	-	-	-	-	-	-
<b>At 30 June 2018</b>	<b>919</b>	<b>1,146,669</b>	<b>343</b>	<b>750,000</b>	<b>(521,153)</b>	<b>1,376,778</b>

**Group Statement of Cash Flows**  
for the year ended 30 June 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	25	(1,345,636)	649,649
Income taxes paid		(91,991)	(131,411)
<b>Net cash (outflow)/inflow from operating activities</b>		<u>(1,437,627)</u>	<u>518,238</u>
<b>Investing activities</b>			
Purchase of intangible assets		(17,839)	(58,453)
Purchase of tangible assets		(76,965)	(71,012)
Loan repaid/(made)		6,600,000	(6,000,000)
Interest received		29,411	311,123
<b>Net cash flows from investing activities</b>		<u>6,534,607</u>	<u>(5,818,342)</u>
<b>Financing activities</b>			
Proceeds from issue of shares		1,700,232	127
Purchase of own shares		(1,105,500)	(376,317)
Interest paid		(53,289)	336,886
Advance of share premium		899,768	-
Loan (repaid)/raised		(5,700,000)	6,000,000
<b>Net cash flows from financing activities</b>		<u>(4,258,789)</u>	<u>5,286,924</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		838,191	(13,180)
Cash and cash equivalents at 1 July		944,446	940,291
Foreign currency translation gains/(losses)		5,339	17,335
<b>Cash and cash equivalents at 30 June</b>		<u><u>1,787,976</u></u>	<u><u>944,446</u></u>



# Notes to the Financial Statements

## for the year ended 30 June 2018

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### 1 Accounting policies

#### 1.1 General information and basis of accounting

Regis Mutual Management Limited ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is 7 Maltings Place, 169 Tower Bridge Road, London, SE1 3JB.

The Group consists of Regis Mutual Management Limited and its subsidiaries whose results or financial performance principally affect the figures shown in the financial statements.

#### Accounting convention

These financial statements have been prepared in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006.

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 GBP £.

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

These Company and Group financial statements for the year ended 30 June 2018 are prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The 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 for parent company information presented within the consolidated financial statements:

- 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.

As permitted by the Companies Act 2006 s408, the Company has not presented its own profit and loss account and related notes. The Company's loss for the year was £484,527 (2017 - £291,139 loss).

## Notes to the Financial Statements for the year ended 30 June 2018

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### **1.2 Basis of consolidation**

On consolidation the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination.

The consolidated financial statements incorporate those of Regis Mutual Management Limited and its subsidiaries whose results or financial performance principally affect the figures shown in the financial statements. Subsidiaries are entities which the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits.

Business combinations are accounted for under the purchase method. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. All financial statements are for the year ended 30 June 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation.

In accordance with section 35 of FRS 102, section 19 of FRS 102, which relates to business combinations and goodwill, has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

### **1.3 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, they continue to adopt the going concern basis of accounting in preparing the financial statements.

### **1.4 Turnover**

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

Dividend income is recognised when the right to receive payment is established.

### **1.5 Intangible fixed assets - goodwill**

In the Group accounts goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

### **1.6 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Software	20% straight line
Intellectual property	- 20% straight line

## Notes to the Financial Statements for the year ended 30 June 2018

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### **1.7 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 and fittings	25% straight line
Computer hardware	20% - 33% 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 recognised in the profit and loss account.

### **1.8 Impairment of tangible and intangible fixed assets**

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible 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 Group 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 the profit and loss account, 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 the profit and loss account, 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.

### **1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

### **1.10 Financial instruments**

The Group 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 Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, and 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.

## Notes to the Financial Statements for the year ended 30 June 2018

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- **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. In the Company the carrying amount of investments in subsidiaries is cost less impairment.

- **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

- **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

- **Basic financial liabilities**

Basic financial liabilities, including creditors, loans and loans from fellow Group companies 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. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised at undiscounted amounts payable. 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.

- **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

### 1.11 Taxation

The tax expense represents the sum of the current tax 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

## Notes to the Financial Statements for the year ended 30 June 2018

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- **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.

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 year 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 if, and only if, there is 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.

### **1.12 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 fixed assets.

The cost of any unused holiday entitlement is recognised in the year 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.

### **1.13 Retirement benefits**

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

### **1.14 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

### **1.15 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

### **1.16 Foreign currency**

- **Transactions and balances**

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 year.

- **Translation**

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings are translated at the exchange rates ruling at the year end. Foreign currency translation differences arising from the retranslation of opening net investments and from the translation of the profits or loss at average rates are recognised in 'Other comprehensive income'.

### **1.17 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

# Notes to the Financial Statements

## for the year ended 30 June 2018

### 1.18 Related party transactions

The Company discloses transactions with members of the Group which are not wholly owned as related party transactions. It does not disclose transactions with members of the same Group that are wholly owned.

### 2 Key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised where the revision affects only that period, or in the year of the revision and future years where the revision affects both current and future years.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

- **Impairment of intangible assets and goodwill**

The Group considers whether intangible assets and goodwill are impaired. Where an indication of impairment is identified, the estimation of the recoverable value requires estimation of the recoverable value of the cash-generating units. This requires estimation of the future cash flows from the cash-generating units and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

- **Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

### 3 Turnover and other revenue

Turnover comprises mainly fees from the management of discretionary mutuals.

An analysis of the Group's turnover by geographical market is set out below.

	2018	2017
	£	£
United Kingdom	14,549,232	11,833,737
Australia	2,454,947	2,378,994
	<u>17,004,179</u>	<u>14,212,731</u>

# Notes to the Financial Statements

## for the year ended 30 June 2018

### 4 Operating loss

	2018	2017
	£	£
The operating loss for the year is stated after charging:		
Exchange gains/(losses)	5,339	17,335
Depreciation of owned tangible fixed assets	103,375	137,062
Amortisation of intangible fixed assets	227,665	233,580
Operating lease charges	469,193	370,059

### 5 Auditor's remuneration

	2018	2017
	£	£
Fees payable to the Company's auditor including VAT:		
Audit of the financial statements of the Company and Group	16,200	17,400
Audit of the Company's subsidiaries	13,500	7,800
Total audit fees	<u>29,700</u>	<u>25,200</u>
Taxation compliance services	3,000	2,300
Other services	6,080	3,210
Total of other services	<u>9,080</u>	<u>5,510</u>

### 6 Employees

The average number of persons (including Executive Directors) employed by the Group during the year was:

	2018	2017
	Number	Number
Management services	99	82
Sales and customer services	64	50
	<u>163</u>	<u>132</u>

Their aggregate remuneration comprised:

	£	£
Wages and salaries	7,744,121	6,738,255
Social security costs	794,090	691,668
Pension costs	272,988	234,702
	<u>8,811,199</u>	<u>7,664,625</u>

**Notes to the Financial Statements**  
for the year ended 30 June 2018

**7 Directors' remuneration**

	2018	2017
	£	£
Emoluments	1,089,312	1,320,734
Compensation for loss of office	-	23,000
Contributions to defined contribution retirement benefit schemes	62,096	47,408
	<u>1,151,408</u>	<u>1,391,142</u>

Remuneration disclosed above includes the following amounts paid to the highest paid Director:

Emoluments	<u>394,184</u>	<u>379,404</u>
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In addition to salaries, emoluments include costs of pension, holiday pay, other employee benefits and accommodation which is used for business purposes.

**8 Interest receivable and similar income**

	2018	2017
	£	£
Other interest income	<u>6,664</u>	<u>276,085</u>

**9 Interest payable and similar charges**

	2018	2017
	£	£
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	<u>33,172</u>	<u>316,435</u>



**Notes to the Financial Statements**  
for the year ended 30 June 2018

**10 Taxation**

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax (credit)/charge on profit/loss	-	-
Foreign tax on profits	25,629	32,156
	<u>25,629</u>	<u>32,156</u>
Adjustments in respect of prior years:		
UK corporation tax	-	(26,715)
	<u>-</u>	<u>(26,715)</u>
<b>Total current tax</b>	25,629	5,441
<b>Deferred tax</b>		
Origination and reversal of timing differences	(129,324)	(69,654)
<b>Group total tax charge for the year</b>	<u>(103,695)</u>	<u>(64,213)</u>

The charge for the year can be reconciled to the (loss)/profit per the profit and loss account as follows:

	2018 £	2017 £
<b>Group (loss)/profit before taxation</b>	<u>(957,084)</u>	<u>(618,950)</u>
Expected tax charge based on the standard rate of corporation tax of 19% (2017: 19.81%)	(181,846)	(122,600)
Tax effect of expenses that are not deductible in determining taxable profit	44,549	30,127
Adjustments in respect of prior years	-	8,516
Permanent capital allowances in excess of depreciation	5,276	5,229
Higher tax rates on overseas earnings	13,462	(5,613)
Change in unrecognised deferred tax assets and liabilities	6,982	23,224
Other tax adjustments	7,882	(3,096)
<b>Group total tax charge for the year</b>	<u>(103,695)</u>	<u>(64,213)</u>

**Notes to the Financial Statements**  
for the year ended 30 June 2018

**11 Intangible fixed assets**

<b>Group</b>	<b>Goodwill</b>	<b>Computer software</b>	<b>Intellectual property</b>	<b>Total</b>
	£	£	£	£
<b>Cost</b>				
At 30 June 2017	235,824	898,857	126,300	1,260,981
Additions	-	17,839	-	17,839
Foreign currency translation adjustment	-	(441)	-	(441)
At 30 June 2018	<u>235,824</u>	<u>916,255</u>	<u>126,300</u>	<u>1,278,379</u>
<b>Amortisation and impairment</b>				
At 30 June 2017	70,746	469,035	60,741	600,522
Charge for the year	23,582	179,063	25,378	228,023
Foreign currency translation adjustment	-	(358)	-	(358)
At 30 June 2018	<u>94,328</u>	<u>647,740</u>	<u>86,119</u>	<u>828,187</u>
<b>Carrying amount</b>				
At 30 June 2018	<u>141,496</u>	<u>268,515</u>	<u>40,181</u>	<u>450,192</u>
At 30 June 2017	<u>165,078</u>	<u>429,822</u>	<u>65,559</u>	<u>660,459</u>

<b>Company</b>	<b>Computer software</b>	<b>Intellectual property</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 30 June 2017	737,101	126,300	863,401
Additions	17,839	-	17,839
At 30 June 2018	<u>754,940</u>	<u>126,300</u>	<u>881,240</u>
<b>Amortisation and impairment</b>			
At 30 June 2017	346,954	60,741	407,695
Charge for the year	139,990	25,377	165,367
At 30 June 2018	<u>486,944</u>	<u>86,118</u>	<u>573,062</u>
<b>Carrying amount</b>			
At 30 June 2018	<u>267,996</u>	<u>40,182</u>	<u>308,178</u>
At 30 June 2017	<u>390,147</u>	<u>65,559</u>	<u>455,706</u>

**Notes to the Financial Statements**  
for the year ended 30 June 2018

**12 Tangible assets**

<b>Group</b>	<b>Computer hardware</b>	<b>Furniture, fixtures &amp; fittings</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 30 June 2017	494,619	277,912	772,531
Additions	68,658	8,307	76,965
Disposals	(34,299)	(11,406)	(45,705)
Foreign currency translation adjustment	(1,675)	(7,969)	(9,644)
At 30 June 2018	527,303	266,844	794,147
<b>Depreciation</b>			
At 30 June 2017	303,160	222,629	525,789
Charge for the year	80,102	31,977	112,079
Disposals	(34,299)	(11,406)	(45,705)
Foreign currency translation adjustment	(1,353)	(7,351)	(8,704)
At 30 June 2018	347,610	235,849	583,459
<b>Carrying amount</b>			
At 30 June 2018	179,693	30,995	210,688
At 30 June 2017	191,459	55,283	246,742

<b>Company</b>	<b>Computer hardware</b>	<b>Furniture, fixtures &amp; fittings</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 30 June 2017	360,071	107,622	467,693
Additions	55,056	1,637	56,693
At 30 June 2018	415,127	109,259	524,386
<b>Depreciation</b>			
At 30 June 2017	192,893	73,923	266,816
Charge for the year	62,305	15,436	77,741
At 30 June 2018	255,198	89,359	344,557
<b>Carrying amount</b>			
At 30 June 2018	159,929	19,900	179,829
At 30 June 2017	167,178	33,699	200,877

# Notes to the Financial Statements

## for the year ended 30 June 2018

### 13 Fixed asset investments

Group and Company	£
Other investments - loan	
At 30 June 2017	6,600,000
Novation	(6,600,000)
	<hr/>
At 30 June 2018	<hr/> <hr/>
Company	£
Investments in subsidiaries at cost or valuation	
At 30 June 2017	1,683,618
Additions	51
	<hr/>
At 30 June 2018	<hr/> <hr/>

No provision has been made for the tax payable in the event of disposal of the revalued investment on the basis that the Company will be entitled to claim the Substantial Shareholding Exemption.

On 17 November 2017: i) the Company's loan to The Military Mutual Limited with a balance as at 30 June 2017 of £6,600,000 was novated and provided directly by a third party to The Military Mutual Limited; and ii) a corresponding loan by the third party to the Company with a balance as at 30 June 2017 of £6,600,000 was terminated.

### 14 Subsidiaries

Details of the Company's subsidiaries whose results or financial performance principally affect the figures shown in the financial statements are as follows:

Name of company and country of incorporation or residency	Class of shareholding	Shares held %
		%
Regis Mutual Management Pty Limited - Australia	Ordinary	100
Your Centre Limited - UK	Ordinary	75
Regis Broking Limited - UK	Ordinary	100
LGM Management Services Limited - UK	Ordinary	51

#### Nature of business

Regis Mutual Management Pty Limited	Development and management of discretionary mutuals
Your Centre Limited	High quality bespoke sales and customer service
Regis Broking Limited	Broking company operational from 1 October 2017
LGM Management Services Limited	Management of discretionary mutuals, incorporated on 3 May 2018, currently dormant

**Notes to the Financial Statements**  
for the year ended 30 June 2018

**15 Financial instruments**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	£	£	£	£
<b>Carrying amount of financial assets</b>				
Equity instruments measured at cost or valuation less impairment	-	-	1,683,669	1,683,618
Loan measured at amortised cost	-	6,600,000	-	6,600,000
Trade and other debtors measured at undiscounted amount receivable	3,539,620	2,493,717	2,824,388	1,742,776
	<u>3,539,620</u>	<u>9,093,717</u>	<u>4,508,057</u>	<u>10,026,394</u>
<b>Carrying amount of financial liabilities</b>				
Loan commitments measured at amortised liability	-	6,600,000	1,624,271	6,836,285
Other financial liabilities measured at undiscounted amount payable	5,555,543	3,668,273	2,620,821	2,950,993
	<u>5,555,543</u>	<u>10,268,273</u>	<u>4,245,092</u>	<u>9,787,278</u>

**16 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	£	£	£	£
<b>Amounts falling due within one year</b>				
Trade debtors	1,954,209	1,449,844	1,340,262	1,003,845
Amounts due from Group companies	-	-	348,731	2,676
Deferred tax asset	219,101	89,561	31,195	-
Other debtors	147,698	104,821	51,968	51,380
Prepayments and accrued income	602,528	849,491	436,148	684,875
	<u>2,923,536</u>	<u>2,493,717</u>	<u>2,208,304</u>	<u>1,742,776</u>
<b>Amounts falling due after more than one year</b>				
Prepayments and accrued income	616,084	-	616,084	-
	<u>3,539,620</u>	<u>2,493,717</u>	<u>2,824,388</u>	<u>1,742,776</u>

**Notes to the Financial Statements**  
for the year ended 30 June 2018

**17 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	£	£	£	£
Trade creditors	1,210,947	1,082,261	625,890	702,642
Amounts owed to Group companies	-	-	276,852	366,294
Accruals and deferred income	648,521	1,104,722	390,846	838,581
Corporation tax	-	21,085	-	-
Other taxes and social security	320,824	318,731	194,842	160,221
Advance of share premium	899,768	-	899,768	-
Short-term loan	1,400,000	-	1,400,000	-
Other creditors	1,025,483	591,474	406,894	569,540
	<u>5,505,543</u>	<u>3,118,273</u>	<u>4,195,092</u>	<u>2,637,278</u>

The short-term loan is made up of two loans; £300,000 due to NFRN Mutual Limited with an interest rate of 5% repayable within one year and £1,100,000 which was received from Hollenfels Re SA which has since been treated as consideration for the assignment of the trade debtor balance with The Military Mutual Limited as referred to in note 26.

**18 Creditors: amounts due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	£	£	£	£
Loan	-	6,600,000	-	6,600,000
Other creditors	50,000	550,000	50,000	550,000
	<u>50,000</u>	<u>7,150,000</u>	<u>50,000</u>	<u>7,150,000</u>

# Notes to the Financial Statements

## for the year ended 30 June 2018

### 19 Provisions for liabilities

	Long service leave	Dilapidations	Total
Group	£	£	£
At 30 June 2017	83,894	37,114	121,008
Charged to profit and loss account	14,451		14,451
Foreign currency translation adjustment	(4,268)	(1,023)	(5,291)
At 30 June 2018	<u>94,077</u>	<u>36,091</u>	<u>130,168</u>

Overall movements in the deferred tax provision has resulted in a deferred tax debtor for the year to 30 June 2018 – see note 16.

	Deferred tax	Dilapidations	Total
Company	£	£	£
At 30 June 2017	31,797	17,000	48,797
Charged to profit and loss account	(31,797)	-	(31,797)
At 30 June 2018	<u>-</u>	<u>17,000</u>	<u>17,000</u>

### 20 Deferred tax

Deferred tax assets and liabilities are offset where the Group or Company has a legally enforceable right to do so. The following is an analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
<b>Deferred tax asset</b>				
Accelerated capital allowances	(54,763)	12,355	(61,588)	-
Short term timing differences	117,523	18,497	17,489	-
Tax losses available	156,341	58,709	75,294	-
	<u>219,101</u>	<u>89,561</u>	<u>31,195</u>	<u>-</u>
<b>Deferred tax provision</b>				
Accelerated capital allowances	-	-	-	90,222
Short term timing differences	-	-	-	(18,497)
Tax losses available	-	-	-	(39,928)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,797</u>

## Notes to the Financial Statements for the year ended 30 June 2018

### 21 Share capital and reserves

	Group and Company			
	2018		2017	
	Number	£	Number	£
Authorised, allotted, issued & fully paid:				
Ordinary shares of 1p each	79,717	797	48,417	484
A ordinary shares of 1p each	-	-	45,000	450
B ordinary shares of 1p each	12,139	121	12,139	121
	<u>91,856</u>	<u>919</u>	<u>105,556</u>	<u>1,056</u>

On 6 October 2017 the Company reduced its share premium account by £497,805 and credited the amount to a profit and loss reserve account as realised profit.

On 17 November 2017 the Company issued 13,800 ordinary shares for cash consideration of £1,700,232.

On 20 November 2017 the Company purchased for cancellation 27,500 A ordinary shares for consideration of £1,100,000.

On 10 February 2018 the Company adopted new articles of association and re-designated its A ordinary shares as Ordinary shares.

The Group and Company reserves are as follows:

- The capital redemption reserve fund represents the nominal value of shares repurchased from employees.
- The share premium account comprises the premium arising on the issue of equity shares, net of issue expenses.
- The profit and loss account represents cumulative profits or losses.
- The Company's revaluation reserve represents the revaluation of investments in subsidiaries.

### 22 Financial commitments

At the year-end total future minimum lease payments under non-cancellable operating leases fall due as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Within one year	320,615	200,406	170,169	144,540
Between one and five years	81,001	29,199	11,961	28,145
	<u>401,616</u>	<u>229,605</u>	<u>182,130</u>	<u>172,685</u>



# Notes to the Financial Statements for the year ended 30 June 2018

## 23 Related party disclosures

### Group

#### **NFRN Mutual Limited (NFRNM) – shareholder**

During the year the NFRNM provided a short-term loan to the Company of £300,000 with an interest rate of 5%.

#### **Peter Wagg Limited**

Peter Wagg is a director of Regis Mutual Management Limited and Peter Wagg Limited. During the year the Company paid Peter Wagg Limited £40,920 (2017: £40,920) for consultancy services. Peter Wagg also received director's fees, which are included in Directors' remuneration in note 7.

### Company

The group has taken advantage of the exemption available under paragraph 33.1A of FRS102 Related party transactions not to disclose transactions with wholly owned subsidiaries.

#### **Your Centre Limited (YCL) - 75% owned subsidiary**

During the year the Company made purchases of £1,562,452 (2017: £1,012,084) from YCL. At 30 June 2018 the Company owed YCL £Nil (2017: £113,215) and was owed £257,357 (2017: £nil) by YCL.

## 24 Controlling party

No single individual or entity controls the Company.

## 25 Cash generated from Group operations

	2018	2017
	£	£
Loss for the year after tax	(853,389)	(554,737)
Adjustments for:		
Taxation charged	(103,695)	(64,213)
Net interest expense	26,508	40,350
Operating loss	(930,576)	(578,600)
Amortisation of intangible assets	228,023	233,407
Depreciation of tangible fixed assets	112,079	128,962
Share based payment charge	-	196,300
(Profit)/Loss on disposal of fixed assets	-	6,939
Foreign currency translation gains/(losses)	6,693	(4,276)
Increase/(decrease) in provisions	9,160	(40,118)
Movements in working capital:		
Increase in debtors	(899,718)	(935,991)
Increase in creditors	128,704	1,643,026
<b>Cash generated from operations</b>	<b>(1,345,636)</b>	<b>649,649</b>

## 26 Events after the reporting period

At the 30 June 2018, the Company had a trade debtor balance with The Military Mutual Limited of £1,100,000. During March 2019 this was assigned to Hollenfels Re S.A a significant shareholder in the company. It was agreed that the £1,100,000 which had been received from Hollenfels Re SA was to be treated as consideration for the assignment of the trade debtor balance and therefore was no longer repayable from Regis Mutual Management Limited to Hollenfels Re SA. As a result of this transaction both the debtor and creditor balances of £1.1m were cleared from the Regis Mutual Management Limited balance sheet.