

REGIS MUTUAL MANAGEMENT LIMITED
Amended Annual Report and Financial Statements
for the year ended 31 December 2020

Company Registration No. 04194000 (England and Wales)



Company Information

Directors	P Koronka C O'Donnell G J Ewing R S Tarbuck P D Wagg
Company number	04194000
Registered office	8 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 31 December 2020

The Directors present their strategic report for the year ended 31 December 2020.

Review of the business

The Regis Group turnover for the year was £10.7m compared to £19.1m in the prior 18-month period.

There is an increasing trend towards the use of discretionary mutuals to manage risk as an alternative to conventional insurance products which has, if anything, been reinforced since the pandemic. Although Regis' mutual clients have been affected in various ways and to different extents by the pandemic they have navigated their way through the challenges of the past eighteen months. As measures continue to be taken to manage the wider impacts of the pandemic they are now well positioned to continue their development in the current environment.

Regis has a unique market-leading position in the industry, a number of successful mutuals under management, and a strong pipeline of potential new mutual opportunities. The Group has continued to invest in developing both its existing mutual business and also in developing new opportunities. Having weathered the recent period, it expects to grow profitably in the future.

Given the opportunities with both existing and new mutual clients Regis has decided to focus on its core mutual management business and disposed of its shareholding in Your Centre Limited on 6 August 2021. This sale has significantly reduced the consolidated net liabilities of the Group by approximately £3.3m as at 31 December 2020 and the overall impact of the sale on the consolidated Group is set out in Note 27 to the accounts. The Company has also agreed with Hollenfels Re that the loans payable to Hollenfels Re will be converted to equity which will have a significant positive impact of approximately £2.1m on the net asset/liability position of both the Company and the Group.

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.

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.

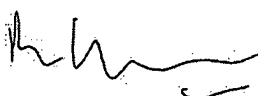
The Group mitigates its exposure to the risk of losing revenue through the long-term nature of its business and its contractual arrangements with its clients and mitigates the risk of dependency on specific clients or segments by having a diverse client base.

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:



P Koronka Director
30 September 2021

Report of the Directors for the year ended 31 December 2020

The Directors present their annual report and financial statements for the year ended 31 December 2020.

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 period and up to the date of signature of the financial statements were as follows:

P Koronka
R S Tarbuck
C O'Donnell
G J Ewing
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.

Covid-19

In the annual review of the Company and Group's going concern, the Directors have considered the impact of the Covid-19 pandemic. In the immediate aftermath of lockdown the Company and Group made use of the Government's Coronavirus Job Retention Scheme. The Group and Company have extended their borrowing facilities, through the use of the Government's bounce back loan scheme. Additionally, further support has been secured from a shareholder of Regis Mutual Management Limited, for a period of 12 months from the approval of the accounts, to provide further working capital, should it be required by the Company to meet its liabilities as they fall due. The Directors remain committed to carrying out regular reviews of the Company and Group's cashflows to monitor the ongoing situation.

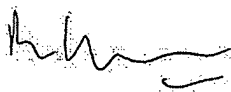
Auditor

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:



P Koronka
Director
30 September 2021

Directors' Responsibilities Statement

for the year ended 31 December 2020

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 31 December 2020

Opinion

We have audited the financial statements of Regis Mutual Management Limited (the 'parent company') and its subsidiaries for the year ended 31 December 2020, which comprise, the Group Profit and Loss account, the Group statement of Comprehensive income, the Group Statement 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 the related notes, 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 Financial Reporting Standard 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 Company's affairs as at 31 December 20120 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

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.

Independent Auditor's Report

for the year ended 31 December 2020

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement 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, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Independent Auditor's Report

for the year ended 31 December 2020

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried out. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Amit Sharma

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Amit Sharma (Senior Statutory Auditor)

for and on behalf of
Goodman Jones LLP

29/30 Fitzroy Square
London
W1T 6LQ

30 September 2021

Group Profit and Loss Account
for the year ended 31 December 2020

	Note	2020 12 Months £	2019 18 Months £
Turnover	3	10,697,954	19,080,702
Other operating income		183,007	-
Administrative expenses		(13,019,423)	(21,435,765)
Operating loss	4	<u>(2,138,462)</u>	<u>(2,355,063)</u>
Interest receivable & similar income	8	8,950	12,979
Interest payable & similar charges	9	(47,754)	(34,330)
Loss before taxation		<u>(2,177,266)</u>	<u>(2,376,414)</u>
Taxation	10	(82,250)	(2,304)
Loss for the period		<u><u>(2,259,516)</u></u>	<u><u>(2,378,718)</u></u>

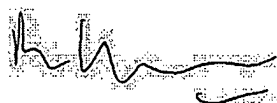
Group Statement of Comprehensive Income
for the year ended 31 December 2020

	2020	2019
	12 Months	18 Months
	£	£
Loss for the period	(2,259,516)	(2,378,718)
Other comprehensive income		
Foreign currency translation differences	49,755	(16,361)
Total comprehensive income for the period	<u>(2,209,761)</u>	<u>(2,395,079)</u>
 Total comprehensive income for the period is attributable to:		
Non-controlling interest	(494,929)	(316,204)
Equity shareholders of the Company	(1,714,832)	(2,078,875)
	<u>(2,209,761)</u>	<u>(2,395,079)</u>

Group Balance Sheet As at 31 December 2020

	Note	2020 12 Months £	2019 18 Months £
Fixed assets			
Intangible assets	11	103,476	175,724
Tangible assets	12	119,101	188,285
		<u>222,577</u>	<u>364,009</u>
Current assets			
Debtors falling due within one year	16	1,538,046	1,687,294
Debtors falling due after more than one year	16	1,605,466	900,473
Cash at bank and in hand		<u>2,465,776</u>	<u>1,463,687</u>
		5,609,288	4,051,454
Creditors: amounts falling due within one year	17	(9,749,946)	(6,214,728)
Net current assets		<u>(4,140,658)</u>	<u>(2,163,274)</u>
Total assets less current liabilities		(3,918,081)	(1,799,265)
Creditors: amounts falling due after more than one year	18	(138,333)	(50,000)
Provision for liabilities	20	(117,733)	(115,172)
Net assets		<u>(4,174,148)</u>	<u>(1,964,437)</u>
Capital and reserves			
Called-up share capital	21	919	919
Capital redemption reserve fund		343	343
Share premium account		1,146,669	1,146,669
Profit and loss account		(4,375,785)	(2,660,954)
Equity attributable to owners of the parent company		<u>(3,227,854)</u>	<u>(1,513,023)</u>
Non-controlling interests		(946,294)	(451,414)
Total equity		<u>(4,174,148)</u>	<u>(1,964,437)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2021 and are signed on its behalf by:



P Koronka
Director

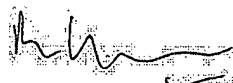
Company Balance Sheet

As at 31 December 2020

	Note	2020 12 Months £	2019 18 Months £
Fixed assets			
Intangible assets	11	20,938	69,601
Tangible assets	12	43,019	90,966
Investments in subsidiaries	13	1,211,890	1,683,669
		<u>1,275,847</u>	<u>1,844,237</u>
Current assets			
Debtors falling due within one year	16	1,438,207	2,117,934
Debtors falling due after more than one year	16	3,325,414	900,473
Cash at bank and in hand		529,558	247,157
		<u>5,293,179</u>	<u>3,265,564</u>
Creditors: amounts falling due within one year	17	(6,337,157)	(4,586,906)
Net current liabilities		<u>(1,043,978)</u>	<u>(1,321,342)</u>
Total assets less current liabilities		231,869	522,895
Creditors: amounts falling due after more than one year	18	(94,167)	(50,000)
Provision for liabilities	20	(17,000)	(17,000)
Net assets		<u>120,702</u>	<u>455,895</u>
Capital and reserves			
Called-up share capital	21	919	919
Capital redemption reserve fund	21	343	343
Share premium account	21	1,146,669	1,146,669
Profit and loss account	21	(1,777,229)	(1,442,036)
Revaluation reserve	21	750,000	750,000
Total equity		<u>120,702</u>	<u>455,895</u>

Company registration number 04194000 (England and Wales)

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2021 and are signed on its behalf by:



P Koronka
Director

Group Statement of Changes in Equity

for the year ended 31 December 2020

	Share capital	Share premium account	Capital redemption reserve fund	Profit and loss reserve	Total controlling interest	Non-controlling interest	Total equity
	£	£	£	£	£	£	£
At 31 December 2019	919	1,146,669	343	(2,660,954)	(1,513,023)	(451,414)	(1,964,437)
Total comprehensive income for the period	0	0	0	(1,714,831)	(1,714,831)	(494,929)	(2,209,760)
Change in ownership interest in subsidiary						49	49
At 31 December 2020	919	1,146,669	343	(4,375,785)	(3,227,854)	(946,294)	(4,174,148)

Company Statement of Changes in Equity

for the year ended 31 December 2020

	Share capital	Share premium account	Capital redemption reserve fund	Revaluation reserve	Profit and loss reserve	Total equity
	£	£	£	£	£	£
At 31 December 2019	919	1,146,669	343	750,000	(1,442,036)	455,895
Total comprehensive income for the period	-	-	-	-	(335,193)	(335,193)
At 31 December 2020	919	1,146,669	343	750,000	(1,777,229)	120,702

Group Statement of Cash Flows
for the year ended 31 December 2020

	Note	2020 12 Months £	2019 18 Months £
Cash flows from operating activities			
Cash generated from operations	26	57,308	238,346
Income taxes paid		48,259	(13,390)
Net cash (outflow)/inflow from operating activities		105,567	224,956
Investing activities			
Purchase of tangible assets		(14,429)	(132,751)
Interest received		8,950	44,197
Net cash flows from investing activities		(5,479)	(88,554)
Financing activities			
Interest paid		(47,754)	(34,330)
Loan (repaid)/raised		900,000	(410,000)
Net cash flows from financing activities		852,246	(444,330)
Net (decrease)/increase in cash and cash equivalents		952,334	(307,928)
Cash and cash equivalents at beginning of period		1,463,687	1,787,976
Foreign currency translation gains/(losses)		49,755	(16,361)
Cash and cash equivalents at 31 December		2,465,776	1,463,687

Notes to the Financial Statements

for the year ended 31 December 2020

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 8 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 31 December 2020 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 £335,193 (18-month period 2019: £2,078,875 loss).

Notes to the Financial Statements

for the year ended 31 December 2020

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. 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

In the annual review of the Company and Group's going concern, the Directors have considered the impact of the Covid-19 pandemic. In the immediate aftermath of lockdown the Company and Group made use of the Government's Coronavirus Job Retention Scheme. The Group and Company have extended their borrowing facilities, through the use of the Government's bounce back loan scheme. Additionally, further support has been secured from a shareholder of Regis Mutual Management Limited, for a period of 12 months from the approval of the accounts, to provide further working capital, should it be required by the Company to meet its liabilities as they fall due. The Directors remain committed to carrying out regular reviews of the Company and Group's cashflows to monitor the ongoing situation.

Therefore, 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.

Notes to the Financial Statements

for the year ended 31 December 2020

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

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Company holds a long-term interest and where the Company has significant influence. The Company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the Company has a long-term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 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.

1.9 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.

Notes to the Financial Statements

for the year ended 31 December 2020

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.

1.10 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.

1.11 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.

- **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.

Notes to the Financial Statements

for the year ended 31 December 2020

- **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.

1.12 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 period. 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.

- **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.

1.13 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 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.

1.14 Retirement benefits

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

1.15 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.

Notes to the Financial Statements

for the year ended 31 December 2020

1.16 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.

1.17 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 period.

• Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the period. The assets and liabilities of overseas undertakings are translated at the exchange rates ruling at the period 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'.

1.18 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.

1.19 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 period in which the estimate is revised where the revision affects only that period, or in the period 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.

Notes to the Financial Statements

for the year ended 31 December 2020

3 Turnover and other revenue

Turnover comprises mainly fees from the management of discretionary mutuals.

Analysis of the Group's turnover by geographical market:

	2020 12 Months	2019 18 Months
	£	£
United Kingdom	8,259,811	15,539,642
Australia	2,438,143	3,541,060
	<u>10,697,954</u>	<u>19,080,702</u>

An analysis of the Group's turnover by category is set out below:

	2020 12 Months	2019 18 Months
	£	£
Mutual Management	9,269,144	16,641,255
Commissions	274,382	640,564
Other Fees	1,154,428	1,798,883
	<u>10,697,954</u>	<u>19,080,702</u>

4 Operating loss

	2020 12 Months	2019 18 Months
	£	£
The operating loss for the period is stated after charging / (crediting):		
Exchange (gains)/losses	49,755	162,345
Depreciation of owned tangible fixed assets	85,973	144,872
Amortisation of intangible fixed assets	72,749	274,013
Operating lease charges	470,363	802,670
Government grants	(183,007)	-

Notes to the Financial Statements
for the year ended 31 December 2020

5 Auditor's remuneration

	2020	2019
	12 Months	18 Months
	£	£
Fees payable to the Company's auditor including VAT:		
Audit of the financial statements of the Company and Group	23,484	43,500
Audit of the Company's subsidiaries	47,528	25,800
Total audit fees	<u>71,012</u>	<u>69,300</u>
Taxation compliance services	2,040	4,800
Other services	792	674
Total of other services	<u>2,832</u>	<u>5,474</u>

6 Employees

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

	2020	2019
	12 Months	18 Months
	Number	Number
Management services	70	96
Sales and customer services	92	91
	<u>162</u>	<u>188</u>

Their aggregate remuneration comprised:

	£	£
Wages and salaries	7,152,465	12,042,941
Social security costs	673,888	1,204,749
Pension costs	279,744	460,849
	<u>8,106,097</u>	<u>13,708,539</u>

Notes to the Financial Statements

for the year ended 31 December 2020

7 Directors' remuneration

	2020	2019
	12 Months	18 Months
	£	£
Emoluments	773,800	1,175,684
Compensation for loss of office	-	149,752
Contributions to defined contribution retirement benefit schemes	24,400	73,769
	<u>798,200</u>	<u>1,399,205</u>

The number of directors for whom retirement benefits are paid under a defined contribution scheme amounted to 3 (2020 -3)
Remuneration disclosed above includes the following amounts paid to the highest paid Director:

Emoluments	<u>395,153</u>	<u>574,612</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

	2020	2019
	12 Months	18 Months
	£	£
Other interest income	<u>8,950</u>	<u>12,979</u>

9 Interest payable and similar charges

	2020	2019
	12 Months	18 Months
	£	£
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	<u>47,754</u>	<u>34,330</u>

Notes to the Financial Statements
for the year ended 31 December 2020

10 Taxation

	2020 12 Months £	2019 18 Months £
Current tax		
UK corporation tax (credit)/charge on profit/loss	-	-
Foreign tax on profits	113,673	74,362
	<u>113,673</u>	<u>74,362</u>
Adjustments in respect of prior years:		
UK corporation tax	-	-
	<u>-</u>	<u>-</u>
Total current tax	113,673	74,362
Deferred tax		
Origination and reversal of timing differences	(31,423)	(72,058)
	<u>-</u>	<u>-</u>
Group total tax charge for the year	<u>82,250</u>	<u>2,304</u>

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

	2020 12 Months £	2019 18 Months £
Group (loss)/profit before taxation	<u>(2,177,266)</u>	<u>(2,376,414)</u>
Expected tax charge based on the standard rate of corporation tax of 19% (2018: 19%)	(413,680)	(451,519)
Tax effect of expenses that are not deductible in determining taxable profit	19,063	29,697
Deferred tax adjustments in respect of prior years	-	1,287
Unprovided deferred tax asset	440,705	364,986
Permanent capital allowances in excess of depreciation	4,481	6,721
Use of losses not previously recognised	(11,703)	-
Share based payment charge	-	24,297
Higher tax rates on overseas earnings	43,384	40,657
Other tax adjustments	-	(13,822)
Group total tax charge for the year	<u>82,250</u>	<u>2,304</u>

Notes to the Financial Statements
for the year ended 31 December 2020

11 Intangible fixed assets

Group	Goodwill	Computer software	Intellectual property	Total
	£	£	£	£
Cost				
At 1 January 2020	235,824	915,804	126,300	1,277,928
Additions	-	-	-	-
Disposals	-	(153,046)	-	(153,046)
Foreign currency translation adjustment	-	503	-	503
At 31 December 2020	235,824	763,261	126,300	1,125,385
Amortisation and impairment				
At 1 January 2020	129,702	848,315	124,187	1,102,204
Charge for the period	23,583	46,549	2,113	72,245
Disposals	-	(153,046)	-	(153,046)
Foreign currency translation adjustment	-	504	-	504
At 31 December 2020	153,285	742,322	126,300	1,021,907
Carrying amount				
At 31 December 2020	82,539	20,939	0	103,476
At 31 December 2019	106,122	67,489	2,113	175,724

Company	Computer software	Intellectual property	Total
	£	£	£
Cost			
At 1 January 2020	754,940	126,300	881,240
Additions	-	-	-
At 31 December 2019	754,940	126,300	881,240
Amortisation and impairment			
At 1 January 2020	687,454	124,184	811,638
Charge for the period	46,549	2,116	48,664
At 31 December 2019	734,003	126,300	860,302
Carrying amount			
At 31 December 2020	20,937	0	20,938
At 31 December 2019	67,486	2,116	69,602

Notes to the Financial Statements
for the year ended 31 December 2020

12 Tangible assets

Group	Computer hardware	Furniture, fixtures & fittings	Total
	£	£	£
Cost			
At 1 January 2020	616,275	300,340	916,615
Additions	11,226	3,203	14,429
Disposals	(13,498)	(133,317)	(146,815)
Foreign currency translation adjustment	1,881	480	2,361
At 31 December 2020	615,884	170,706	786,591
Depreciation			
At 1 January 2020	471,983	256,347	728,331
Charge for the period	64,727	19,452	84,179
Disposals	(13,498)	(133,317)	(146,815)
Foreign currency translation adjustment	1,435	359	1,794
At 31 December 2020	524,648	142,841	667,489
Carrying amount			
At 31 December 2020	91,236	27,865	119,101
At 31 December 2019	144,292	43,993	188,285

Company	Computer hardware	Furniture, fixtures & fittings	Total
	£	£	£
Cost			
At 1 January 2020	433,046	113,310	546,356
Additions	-	-	-
At 31 December 2020	433,046	113,310	546,356
Depreciation			
At 1 January 2020	351,344	104,046	455,390
Charge for the period	41,663	6,284	47,947
At 31 December 2020	393,007	110,330	503,337
Carrying amount			
At 31 December 2020	40,039	2,980	43,019
At 31 December 2019	81,702	9,264	90,966

Notes to the Financial Statements

for the year ended 31 December 2020

13 Fixed asset investments

Company	£
Investments in subsidiaries at cost or valuation	
At 1 January 2020	1,683,669
Additions	-
Written off	(471,779)
At 31 December 2020	<u>1,211,890</u>

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.

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
LGM Management Services Limited	Management of discretionary mutuals

Notes to the Financial Statements

for the year ended 31 December 2020

15 Financial instruments

	Group		Company	
	2020	2019	2020	2019
	12 Months	18 Months	12 Months	18 Months
	As restated			
	£	£	£	£
Carrying amount of financial assets				
Equity instruments measured at cost or valuation less impairment	-	-	1,211,890	1,683,669
Trade and other debtors measured at undiscounted amount receivable	2,497,991	2,587,767	2,698,872	3,018,407
	<u>2,497,991</u>	<u>2,587,767</u>	<u>3,910,762</u>	<u>4,702,076</u>
Carrying amount of financial liabilities				
Loan commitments measured at amortised liability	-	-	112,828	1,254,915
Other financial liabilities measured at undiscounted amount payable	6,501,182	6,264,728	3,740,319	3,381,991
	<u>6,501,182</u>	<u>6,264,728</u>	<u>3,853,147</u>	<u>4,636,906</u>

16 Debtors

	Group		Company	
	2020	2019	2020	2019
	12 Months	18 Months	12 Months	18 Months
	As restated			
	£	£	£	£
Amounts falling due within one year				
Trade debtors	342,328	993,440	143,540	253,125
Amounts due from Group companies	-	-	25,822	1,537,464
Deferred tax asset	320,047	290,925	141,970	104,274
Other debtors	137,707	68,191	511,570	41,776
Prepayments and accrued income	737,964	334,738	615,305	181,295
	<u>1,538,046</u>	<u>1,687,294</u>	<u>1,438,207</u>	<u>2,117,934</u>
Amounts falling due after more than one year				
Prepayments and accrued income	1,213,597	900,473	1,213,597	900,473
Trade Debtors	391,869	-	391,869	-
Amounts due from Group companies	-	-	1,719,948	-
	<u>3,143,512</u>	<u>2,587,767</u>	<u>4,763,621</u>	<u>3,018,407</u>

The 2019 trade debtors and trade creditor balance have been restated by £2,920,794 due to an omission of an intercompany elimination. Overall, there is no net impact on net assets.

Notes to the Financial Statements

for the year ended 31 December 2020

17 Creditors: amounts falling due within one year

	Group		Company	
	2020 12 Months	2019 18 Months As restated	2020 12 Months	2019 18 Months
	£	£	£	£
Trade creditors	1,407,783	1,468,591	606,856	823,174
Amounts owed to Group companies	-	-	133,138	363,371
Accruals and deferred income	2,382,877	1,518,416	1,450,696	1,084,758
Corporation tax	163,971	2,039	-	-
Other taxes and social security	1,699,303	428,669	1,217,158	259,416
Advance of share premium	899,768	899,768	899,768	899,768
Short-term loan	1,801,667	990,000	1,795,833	990,000
Other creditors	1,394,578	907,245	233,708	166,419
	<u>9,749,946</u>	<u>6,214,728</u>	<u>6,337,157</u>	<u>4,586,906</u>

The short-term loan is made up of four loans; £450,000 due to NFRN Mutual Limited with an interest rate of 5% repayable within one year, £150,000 due to The Liveries' Company Mutual Limited with an interest rate of 8% repayable within one year, £1,190,000 which was received from Hollenfels Re SA. Clydesdale Bounce Back Loan of £100,000 of which £11,667 is repayable within one year.

Analysis of borrowings

	2020 12 Months £	2019 18 Months £
In one year or less	1,801,667	990,000
In more than one year, but no more than 2 years	40,000	-
In more than two years, but no more than 5 years	48,334	-
In more than 5 years	-	-
	<u>1,890,000</u>	<u>990,000</u>

18 Creditors: amounts due after more than one year

	Group		Company	
	2020 12 Months	2019 18 Months	2020 12 Months	2019 18 Months
	£	£	£	£
Loan	88,333	-	44,167	-
Other creditors	50,000	50,000	50,000	50,000
	<u>138,333</u>	<u>50,000</u>	<u>94,167</u>	<u>50,000</u>

Notes to the Financial Statements

for the year ended 31 December 2020

19 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	
	2020	2019	2020	2019
	12 Months	18 Months	12 Months	18 Months
	£	£	£	£
Accelerated capital allowances	(6,612)	(21,162)	1,824	(12,726)
Short term timing differences	153,491	132,648	55,993	32,848
Tax losses available	173,167	179,439	84,152	84,152
	<u>320,046</u>	<u>290,925</u>	<u>141,969</u>	<u>104,274</u>

20 Provisions for liabilities

	Long service leave	Dilapidations	Total
Group	£	£	£
At 31 December 2019	80,128	35,044	115,172
Charged to profit and loss account	21,933	17,000	38,933
Utilised	(31,273)	-	(31,273)
Foreign currency translation adjustment	29,946	(15,835)	14,111
Other movement	-	(19,209)	(19,209)
At 31 December 2020	<u>100,733</u>	<u>17,000</u>	<u>117,733</u>

Overall movements in the deferred tax provision has resulted in a deferred tax debtor for the period to 31 December 2020 – see note 16.

Company	Dilapidations	Total
	£	£
At 31 December 2019	17,000	17,000
Charged to profit and loss account	-	-
At 31 December 2020	<u>17,000</u>	<u>17,000</u>

Dilapidations provision

As part of the group's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost is charged to profit and loss as the obligation arises. The provision is expected to be utilised between 2021 and 2024 as the leases terminate. Due to the significant number of leased properties in the group and the difficulties in predicting expenditure that will be required on return of a property to the landlord many years into the future, the dilapidations provision is considered a source of significant estimation uncertainty. The provision has been calculated using historical experience of actual expenditure incurred on dilapidations and estimated lease termination dates. The directors consider the dilapidations provision at 31 December 2020 to be £17,000 and has been recognised in the balance sheet.

Long service leave

The group provides certain employees within Australia with paid leave after 10 years of service. The Director's accrue this based on the probability of employees reaching the 10 years of service. The provision will be released as the leave is taken.

Notes to the Financial Statements

for the year ended 31 December 2020

21 Share capital and reserves

	Group and Company			
	2020		2019	
	Number	£	Number	£
Authorised, allotted, issued & fully paid:				
Ordinary shares of 1p each	79,717	797	79,717	797
B ordinary shares of 1p each	12,139	121	12,139	121
	<u>91,856</u>	<u>919</u>	<u>91,856</u>	<u>919</u>

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	
	2020	2019	2020	2019
	12 Months	18 Months	12 Months	18 Months
	£	£	£	£
Within one year	345,453	376,014	218,527	241,081
Between one and five years	628,309	763,411	372,919	501,305
	<u>973,762</u>	<u>1,139,425</u>	<u>591,446</u>	<u>742,386</u>

23 Retirement benefit schemes

Defined contributions schemes

	2020	2019
	12 Months	18 Months
	£	£
Charge to the profit and loss	279,744	460,849
	<u>279,744</u>	<u>460,849</u>

The group operates a defined contribution pension scheme for all qualifying employees.

The assets of the scheme are held separately from those of the company in an independently administered Fund.

At the year end the group had un-paid contributions of £124,658 (2019: £41,702)

Notes to the Financial Statements

for the year ended 31 December 2020

24 Related party disclosures

Group

NFRN Mutual Limited (NFRNM) – shareholder

The total of the loan outstanding is £450,000 with an interest rate of 5%.

Hollenfels Re SA – shareholder

During the period Hollenfels Re SA provided an additional short-term loan to the Company of £650,000. The total of the loan outstanding is £1,190,000.

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 (18-month period 2019: £57,970) for consultancy services. Peter Wagg also received director's fees, which are included in Directors' remuneration in note 7.

Company

Your Centre Limited (YCL) - 75% owned subsidiary

During the year the Company made purchases of £360,757 (18-month period 2019: £793,715) from YCL. At 31 December 2020 the Company owed YCL £23,246 (2019: £Nil) and was owed £1,720,811 by YCL of which £1,719,948 is due in more than one year (2019: £1,470,025).

25 Controlling party

No single individual or entity controls the Company.

26 Cash generated from Group operations

	2020 12 Months £	2019 18 Months £
Loss for the year after tax	(2,259,516)	(2,378,718)
Adjustments for:		
Taxation charged	82,250	2,304
Net interest expense	38,804	21,351
Operating loss	(2,138,462)	(2,355,063)
Amortisation of intangible assets	72,245	274,453
Depreciation of tangible fixed assets	84,179	154,613
Share based payment charge	-	127,877
Foreign currency translation gains/(losses)	(566)	557
Increase/(decrease) in provisions	-	(14,996)
Movements in working capital:		
Decrease in debtors	(524,272)	933,759
Increase in creditors	2,564,184	1,117,146
Cash generated from operations	57,308	238,346

27 Post balance sheet event note

On 6 August 2021, Regis Mutual Management Limited disposed of its entire shareholding in Your Centre Limited, for an initial consideration of £1. Any deferred consideration is subject to valuation to be completed in December 2023. At the balance sheet date Your Centre Limited, contributed net liabilities of £3,267,761 to the group balance sheet and net loss of £1,977,340.