REGISTERED NUMBER: 02755077 (England and Wales)

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 December 2015

for

Regus Management (UK) Limited

Contents of the Financial Statements
for the Year Ended 31 December 2015

Regus Management (UK) Limited

Company Information
for the Year Ended 31 December 2015

DIRECTORS:	PDE Gibson R Morris
REGISTERED OFFICE:	268 Bath Road Slough Berkshire SL1 4DX
REGISTERED NUMBER:	02755077 (England and Wales)
AUDITORS:	KPMG Chartered Accountants and Statutory Auditor Stokes House 17-25 College Square East Belfast BT1 6DH

Strategic Report
for the Year Ended 31 December 2015

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

PRINCIPAL ACTIVITY

The company's principal activity is the provision of management services to the Regus (UK) group of companies.

REVIEW OF BUSINESS
The results for the company show a pre-tax profit of £607,000 (2014: £3,308,000 profit) for the year and turnover of £17,242,000 (2014: £24,136,000).

PRINCIPAL RISKS AND UNCERTAINTIES
There are a number of risks and uncertainties which could have an impact on the company's long term performance. The company has a risk management structure in place to identify, manage and mitigate business risks. Risk assessment and evaluation is an essential part of the planning, budgeting and forecasting cycle.

The directors have identified that the principal risks and uncertainties affecting the company are an economic downturn in the market and exposure to movements in the property market. Further discussion of these risks and uncertainties, in the context of Regus plc group as a whole, is provided in the group's annual report which does not form part of this report.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
The objectives, policies and strategies applied by the company with respect to financial instruments are determined by Regus plc. Exposure to credit, interest rate and currency risk arise in the normal course of business. The principal financial instruments used by the company to finance its operations are cash and loans.

CREDIT RISK
A diversified customer base and requirement for customer deposits and payments in advance on workstation contracts minimises the company's exposure to customer credit risk.

Cash assets, borrowings and derivative financial instruments are only transacted with counterparties of sound credit ratings, and management does not expect any counterparty to fail to meet its obligations.

INTEREST RATE RISK
At 31 December 2015 there was £219,230,000 (2014: £114,520,000) of amounts on loan to parent and fellow subsidiary companies. Surplus cash balances are loaned to group companies at commercial rates of interest in order to achieve maximum interest returns.

FOREIGN CURRENCY RISK
The company's exposure to currency risk at a transactional level is minimal as the majority of day to day transactions are carried out in pounds sterling.

DERIVATIVE FINANCIAL INSTRUMENTS
At 31 December 2015 there were no derivative financial instruments outstanding.

EMPLOYEES
It is the company's policy to communicate with all employees and to encourage them to take a wider interest in the affairs of the company and the Regus plc group. This is done in a variety of ways including electronic media, in house journals, bulletins and briefing sessions.

The health and safety of employees is of paramount importance. Safety awareness is actively promoted in the working environment and is reviewed from time to time, in the light of good practice and developing legislation.

The company is committed to the principal of equal opportunity in employment, regardless of a person's race, creed, nationality, sex, age, marital status or disability. Employment policies are fair, equitable and consistent with the skills and abilities of the employees and the needs of the company's businesses. These policies ensure that everyone is accorded equal opportunity for recruitment, training and promotion. Where an employee becomes disabled whilst employed by the company every effort is made to allow that person to continue in employment.

The number of employees and their remuneration are set out in note 3 to the financial statements.

BY ORDER OF THE BOARD:

PDE Gibson - Director

Date: 23 September 2016

Report of the Directors
for the Year Ended 31 December 2015

The directors present their report with the financial statements of the company for the year ended 31 December 2015.

DIVIDENDS
The total distribution of dividends for the year ended 31 December 2015 was £16,770,000 (year ended 31 December 2014 - £Nil).

FUTURE DEVELOPMENTS
The directors are cautiously optimistic about future financial performance. The company continues to benefit from being part of the Regus Group, and expects to continue to drive occupancy improvements through higher enquiries and conversion levels. Costs continue to be monitored closely and will be managed at a level which ensures they remain appropriate for forecast activity levels.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

PDE Gibson
R Morris

POLITICAL CONTRIBUTIONS
The company made no political contributions in either the year ended 31 December 2015 or the year ended 31 December 2014.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Directors
for the Year Ended 31 December 2015

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

BY ORDER OF THE BOARD:

PDE Gibson - Director

Date:23 September 2016

KPMG

KPMG
Audit
Stokes House
17-25 College Square East
Belfast BT1 6DH
Northern Ireland

Independent Auditors' Report to the Members of Regus Management (UK) Limited

We have audited the financial statements of Regus Management (UK) Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 101 Reduced Disclosure Framework. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

Opinions and conclusions arising from our audit

1. Our opinion on the financial statements is unmodified

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2. Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

3. We have nothing to report in respect of matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Under the Companies Act 2006 we are required 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

We have nothing to report in respect of the above responsibilities.

KPMG

KPMG
Audit
Stokes House
17-25 College Square East
Belfast BT1 6DH
Northern Ireland

Independent Auditors' Report to the Members of Regus Management (UK) Limited
(continued)

Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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.

Tom McEvoy (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
Stokes House
17-25 College Square East
Belfast
BT1 6DH

Date: 23 September 2016

Profit and Loss Account and Other Comprehensive Income
for the Year Ended 31 December 2015

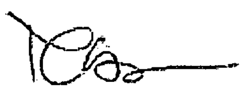
	Notes	2015 £'000	2014 £'000
TURNOVER	2	**17,242**	24,136
Cost of sales		**1,577**	(957)
GROSS PROFIT		**15,665**	25,093
Administrative expenses		**15,425**	22,076
OPERATING PROFIT		**240**	3,017
Exceptional items	4	**-**	61
		240	3,078
Interest receivable and similar income	5	**368**	233
Interest payable and similar charges	6	**(1)**	(3)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	7	**607**	3,308
Tax on profit on ordinary activities	8	**-**	-
PROFIT FOR THE FINANCIAL YEAR		**607**	3,308
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**607**	3,308

The notes on pages 11 to 24 form part of these financial statements

Balance Sheet
31 December 2015

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
FIXED ASSETS					
Tangible assets	10		**1,109**		156
CURRENT ASSETS					
Debtors	11	**256,712**		126,382	
Cash at bank		**349**		468	
		257,061		126,850	
CREDITORS					
Amounts falling due within one year	12	**259,772**		112,944	
NET CURRENT (LIABILITIES)/ASSETS			**(2,711)**		13,906
TOTAL ASSETS LESS CURRENT LIABILITIES			**(1,602)**		14,062
CREDITORS					
Amounts falling due after more than one year	13		**(227)**		(250)
PROVISIONS FOR LIABILITIES	15		**(522)**		-
NET (LIABILITIES)/ASSETS			**(2,351)**		13,812
CAPITAL AND RESERVES					
Share Capital	16		**-**		-
Profit and loss account	17		**(2,351)**		13,812
SHAREHOLDER FUNDS			**(2,351)**		13,812

These financial statements were approved by the Board of Directors on 23 September 2016 and were signed on its behalf by:



PDE Gibson - Director

Statement of Changes in Equity
for the Year Ended 31 December 2015

	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2014	10,504	10,504
Changes in equity		
Total comprehensive income	3,308	3,308
Balance at 31 December 2014	13,812	13,812
Changes in equity		
Dividends	(16,770)	(16,770)
Total comprehensive income	607	607
Balance at 31 December 2015	(2,351)	(2,351)

The notes on pages 11 to 24 form part of these financial statements

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

1. **ACCOUNTING POLICIES**

Basis of preparation
Regus Management (UK) Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") as issued in September 2015.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes the amendment where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance is provided in the Reconciliation of Equity and the Reconciliation of Profit/Loss.

The Company's ultimate parent undertaking, Regus plc includes the Company in its consolidated financial statements. The consolidated financial statements of Regus plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company's website www.regus.com or from Regus plc head office, 26 Boulevard Royal, L-2449 Luxembourg.

FRS101 - Reduced Disclosure Exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IAS 7 Statement of Cash Flows.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- Disclosures in respect of compensation of Key Management Personnel;
- Disclosure of transactions with a management entity that provides key management personnel services to the Company; and
- The effects of new but not yet effective IFRSs.

As the consolidated financial statements of Regus plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

Management have assessed that there are no estimates or judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities recognised in the financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

1. **ACCOUNTING POLICIES - continued**

Measurement Convention
The financial statements are prepared on the historical cost basis.

Going concern
The company's principal activity is the provision of business services to the Regus (UK) group of companies and future developments of the company are set out in the Report of the Directors on page 4. The directors believe the company's funding is likely to be sufficient to meet its day to day working capital requirements and that accordingly it is appropriate to prepare these financial statements on a going concern basis.

Turnover
Revenue from the provision of services to customers is measured at the fair value of consideration received or receivable (excluding sales taxes). Where rent free periods are granted to customers, rental income is spread on a straight-line basis over the length of the customer contract.

Workstations
Workstation revenue is recognised when the provision of the service is rendered. Amounts invoiced in advance are deferred and recognised as revenue upon provision of the service.

Customer service income
Service income (including the rental of meeting rooms) is recognised as services are rendered. In circumstances where Regus acts as an agent for the sale and purchase of goods to customers, only the commission fee earned is recognised as revenue.

Management fees
Fees received for the provision of initial and subsequent services are recognised as revenue as the services are rendered. Fees charged for other services provided during the period of the agreement are recognised as revenue as the services are provided.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

1. **ACCOUNTING POLICIES - continued**

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- Straight line over 5 to 10 years
Computer equipment	- Straight line over 3 years

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Fixtures and fittings - straight line over 5 to 10 years
Computer equipment - straight line over 3 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Taxation
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised.

Expenses
Operating lease payments
Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

1. **ACCOUNTING POLICIES - continued**

Non-derivative financial instruments
Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors
Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors
Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Impairment excluding deferred tax assets
Financial assets (including trade and other debtors)
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1. **ACCOUNTING POLICIES - continued**

Non-financial assets
The carrying amounts of the Company's non-financial assets, other than deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Provisions

Provisions
A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Provision is made for onerous contracts to the extent that the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be delivered, discounted using an appropriate weighted average cost of capital.

Dilapidations
The terms of most building leases require the company to make good dilapidation or other damage occurring during the rental period. Due to the nature of the business, centres are maintained to a high standard. Provisions for dilapidations are only made when the company considers that it is likely that the premises will be vacated by the company and it is known that a dilapidation has occurred.

Employee Benefits

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Short-term benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

2. TURNOVER

All results are derived from the provision of services to the Regus (UK) group of companies and from the provision of serviced offices and related services in the United Kingdom.

3. EMPLOYEES AND DIRECTORS

	2015	2014
	£'000	£'000
Wages and salaries	**25,699**	25,051
Social security costs	**2,468**	2,198
Other pension costs	**332**	249
	28,499	27,498
Recharged to other UK group companies	**(19,803)**	(18,979)
Included in administrative expenses	**8,696**	8,519

The average number of employees during the year was as follows:

	2015	2014
Operations	**780**	777
Sales	**33**	47
Administration	**13**	18
	826	841

Regus Management (UK) Limited recharges payroll costs, in full, to the Regus (UK) group of companies at cost. The average number of persons employed by Regus Management (UK) Limited during the year including directors, analysed by category, was as above.

	2015	2014
	£	£
Directors' remuneration	**406,258**	123,202
Directors' pension contributions to money purchase schemes	**22,400**	-

Information regarding the highest paid director for the year ended 31 December 2015 is as follows:

	2015
	£
Emoluments etc	**406,258**
Pension contributions to money purchase schemes	**22,400**

Details of PDE Gibson's remuneration are disclosed in the accounts of Regus Business Services Limited. Details of R Morris's remuneration are disclosed in these accounts.

4. EXCEPTIONAL ITEMS

Exceptional items of £nil in 2015 (2014: Exceptional items of £61,000 were credited in relation to the settlement of payables and receivables with entities in administration).

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £'000	2014 £'000
Bank interest	1	1
Interest receivable from parent and fellow subsidiary undertakings	367	232
	368	233

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £'000	2014 £'000
Interest payable to parent and fellow subsidiary undertakings	-	3
Other interest payable	1	-
	1	3

7. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging:

	2015 £'000	2014 £'000
Operating leases - property	-	4
Depreciation - owned assets	173	125
Auditors' remuneration: Audit of these financial statements	1	1
Auditors' remuneration: Audit of financial statements of group companies	233	237
Management fees	1,867	2,325

The two directors are also a directors of other subsidiaries of the Regus (UK) group of companies. As it is not practicable to allocate his remuneration between services as director of each of these subsidiaries, details of PDE Gibson's remuneration are disclosed in the accounts of Regus Business Services Limited. Details of R Morris's remuneration are disclosed in these accounts.

8. TAXATION

Analysis of tax expense
No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2015 nor for the year ended 31 December 2014.

8. **TAXATION - continued**

Factors affecting the tax expense
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2015	2014
	£'000	£'000
Profit on ordinary activities before income tax	607	3,308
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.250% (2014 - 21.500%)	123	711
Effects of:		
Expenses not deductible for tax purposes	41	13
Depreciation in excess of capital allowances	33	25
Group relief received not paid for	(200)	(756)
Other timing differences	8	-
Utilisation of brought forward losses	-	1
Profits/Losses of current period not assessable	(5)	6
Tax expense	-	-

Factors that may affect future and total tax charges
Following the 2016 budget statement, the main rate of UK corporation tax was reduced to 20% from 1 April 2015. Thereafter, the main rate of corporation tax will continue to reduce to 19% from 1 April 2017 and to 17% from 1 April 2020. It is expected that this gradual fall in the main corporation tax rate will result in a reduction of the company's future current tax charge.

The company has tax losses carried forward of £nil (2014: £nil) and decelerated capital allowances of £854,000 (2014: £356,000) for which no deferred tax asset has been recognised, on the basis that there is uncertainty with regard to the timing of future taxable profits.

9. **DIVIDENDS**

	2015	2014
	£'000	£'000
Final	16,770	-

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST			
At 1 January 2015	421	608	1,029
Additions	1,065	38	1,103
Reclassification/transfer	(23)	-	(23)
At 31 December 2015	1,463	646	2,109
DEPRECIATION			
At 1 January 2015	298	575	873
Charge for year	148	25	173
Reclassification/transfer	(46)	-	(46)
At 31 December 2015	400	600	1,000
NET BOOK VALUE			
At 31 December 2015	1,063	46	1,109
At 31 December 2014	123	33	156

All tangible fixed assets are owned by the company.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Trade debtors	534	693
Amounts owed by group undertakings	255,584	120,166
Other debtors	(405)	454
Prepayments and accrued income	999	5,069
	256,712	126,382

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Trade creditors	5,948	2,644
Customer deposits	85,448	69,888
Amounts owed to group undertakings	157,918	28,723
Corporation tax	(1,176)	-
Social security and other taxes	754	669
VAT	5,601	5,445
Other creditors	110	25
Accruals and deferred income	5,169	5,550
	259,772	112,944

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £'000	2014 £'000
Accruals and deferred income	227	250

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2015 £'000	2014 £'000
Within one year	8	-
Between one and five years	10	-
	18	-

15. PROVISIONS FOR LIABILITIES

	2015 £'000	2014 £'000
Other provisions		
Provision for onerous leases	522	-

	Onerous Lease Provision £'000
Balance at 1 January 2015	-
Provided during year	522
Balance at 31 December 2015	522

16. SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
100	Ordinary	£1	100	100

17. RESERVES

	Profit and loss account £'000
At 1 January 2015	13,812
Profit for the year	607
Dividends	(16,770)
At 31 December 2015	(2,351)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

18. ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of Regus plc, a company incorporated in Jersey, which is the ultimate parent company.
The smallest and largest group in which the results of the company are consolidated is that headed by Regus plc, a company incorporated in Jersey. The consolidated accounts of Regus plc are available to the public and may be obtained from the Company's website www.regus.com or from the Regus plc head office, 26 Boulevard Royal, L-2449 Luxembourg.

19. CAPITAL COMMITMENTS

	2015	2014
	£'000	£'000
Contracted but not provided for in the financial statements	**17**	63

20. EVENTS AFTER THE REPORTING PERIOD

There were no events since the balance sheet date that would require adjustment or disclosure in the financial statements.

Regus Management (UK) Limited (Registered number: 02755077)

Reconciliation of Equity
1 January 2014
(Date of Transition to FRS 101)

	Notes	UK GAAP £'000	Effect of transition to FRS 101 £'000	FRS 101 £'000
FIXED ASSETS				
Intangible assets		187	-	187
CURRENT ASSETS				
Debtors		95,433	-	95,433
Cash at bank		665	-	665
		96,098	-	96,098
CREDITORS				
Amounts falling due within one year	a,	(85,784)	3	(85,781)
NET CURRENT ASSETS		10,314	3	10,317
TOTAL ASSETS LESS CURRENT LIABILITIES		10,501	3	10,504
NET ASSETS		10,501	3	10,504
RESERVES				
Profit and loss account		10,501	3	10,504
SHAREHOLDER FUNDS		10,501	3	10,504

Reconciliation of Equity - continued

31 December 2014

	Notes	UK GAAP £'000	Effect of transition to FRS 101 £'000	FRS 101 £'000
FIXED ASSETS				
Tangible assets		156	-	156
CURRENT ASSETS				
Debtors		126,382	-	126,382
Cash at bank		468	-	468
		126,850	-	126,850
CREDITORS				
Amounts falling due within one year	a,	(112,918)	(26)	(112,944)
NET CURRENT ASSETS		13,932	(26)	13,906
TOTAL ASSETS LESS CURRENT LIABILITIES		14,088	(26)	14,062
CREDITORS				
Amounts falling due after more than one year		(250)	-	(250)
NET ASSETS		13,838	(26)	13,812
RESERVES				
Profit and loss account		13,838	(26)	13,812
SHAREHOLDER FUNDS		13,838	(26)	13,812

Notes to the reconciliation of equity

a - Recognition and release of all rent incentives inherent in property leases over the lease term, taken as the non-cancellable period for which the lessee has contracted to lease, rather than the shorter of the lease term or date when full market rental will be payable.

Reconciliation of Profit
for the Year Ended 31 December 2014

	Notes	UK GAAP £'000	Effect of transition to FRS 101 £'000	FRS 101 £'000
TURNOVER		21,094	3,042	24,136
Cost of sales	a.	986	(29)	957
GROSS PROFIT		22,080	3,013	25,093
Administrative expenses		(19,034)	(3,042)	(22,076)
OPERATING PROFIT		3,046	(29)	3,017
Exceptional items		61	-	61
Interest receivable and similar income		233	-	233
Interest payable and similar charges		(3)	-	(3)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,337	(29)	3,308
Tax on profit on ordinary activities		-	-	-
PROFIT FOR THE FINANCIAL YEAR		3,337	(29)	3,308

Notes to the reconciliation of profit or loss
a - Recognition and release of all rent incentives inherent in property leases over the lease term, taken as the non-cancellable period for which the lessee has contracted to lease, rather than the shorter of the lease term or date when full market rental will be payable.

* Certain comparative amounts within cost of sales and administrative expenses have been reclassified in the current year financial statements to enable comparability. These reclassifications have been included in the Effect of transition to FRS 101 figures above. These reclassifications have no effect on the reported results for the prior year.