

Regus Business Centres (UK) Limited

**Directors' report and financial
statements**

Year ended 31 December 2009

Registered number 2961188

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Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

Business review and principal activities

The company's principal activity is the provision of serviced offices and related services

On 30th November 2009, the company entered into a Sale and Purchase Agreement with Regus Estates (UK) Limited ("the Purchaser"), in which the company agreed to sell its entire business, comprising 21 Business Centres operating from various leasehold properties, to the Purchaser (or, at the Purchaser's choice, to wholly owned subsidiaries of the Purchaser on a Centre by Centre basis) with an effective date of 1st October 2009. Completion of this agreement in respect of any Centre is conditional on the assignment of the company's lease(s) referable to that Centre, all of which require a consent to the assignment from each respective landlord. At 31st December 2009 completion had been achieved on 9 of the 21 Centres being disposed of. Subsequent to the year end, the disposal of the remaining 12 centres has completed resulting in a further loss on disposal of £4,582,000. The full amount of this loss has been provided for in these accounts.

The results for the company show a pre-tax loss of £17,339,000 (2008: loss of £2,430,000) for the year and turnover of £55,478,000 (2008: £67,841,000).

Dividends paid

The company did not pay a dividend during the financial year (2008: £nil).

Key performance indicators ("KPIs")

A summary of the company's key performance indicators for the year is as follows:

	2009	2008	Definition, method of calculation and analysis
Turnover (£'000)	£55,478	£67,841	Total turnover for the year
Weighted average number of workstations	9,082	9,184	The total number of available workstations expressed as a weighted average
Average occupancy	82.1%	85.9%	Occupied workstations divided by available workstations expressed as a percentage
REVPOW	£7,179	£8,601	Average revenue per occupied workstation
REVPAW	£5,894	£7,386	Average revenue per available workstation

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 designed to identify, manage and mitigate business risks. Risk assessment and evaluation is an essential part of the annual 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 the 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 arises in the normal course of business. The principal financial instruments used by the company to finance its operations are cash and loans.

Directors' report *(continued)*

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

Details of borrowings are set out in Note 12 to the financial statements. Surplus cash balances are invested to achieve maximum interest returns on a day to day basis

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 2009 there were no derivative financial instruments outstanding

Research and development

One of our core skills is our ability to anticipate the changing demands of our customers. We therefore focus our research on developing new products and services which meet the future needs of our customers

Directors

The directors who held office during the year were as follows

MLJ Dixon
X Walters
TSJD Regan

Political contributions and charitable donations

The company made no political or charitable contributions in either 2009 or 2008

Payment of creditors

It is the policy of the company to agree terms of payment for its business transactions with its suppliers. Payment is then made in accordance with these, subject to the terms and conditions being met by the supplier. The company does not follow any code or standard on payment practice. Trade creditor days, based on cost of sales, at 31 December 2009 are nil (2008: 1)

Directors' report (continued)

Disclosure of information to auditors

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

Auditors

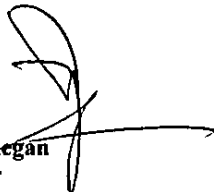
Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG will therefore continue in office

Post balance sheet events

Subsequent to the year end, the disposal of a further 12 centres has been completed. The loss arising on this disposal has been fully provided for in these accounts

Also subsequent to the year end, the company disposed of its shareholding in Park Business Centres Limited to Business Centres JV Partner Limited at par value

By order of the Board


TSJD Regan
Director

3000 Hillswood Drive
Chertsey
Surrey
KT16 0RS
28 February 2011

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

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make 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 disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.
- Under applicable law the directors are also responsible for preparing a directors' report that complies with that law.

By order of the Board


TSJD Regan
Director

3000 Hillswood Drive
Chertsey
Surrey
KT16 0RS
28 February 2011

Independent auditors' report to the members of Regus Business Centres (UK) Limited

We have audited the financial statements of Regus Business Centres (UK) Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movement in shareholder's deficit and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for preparing the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

Scope of the audit of the financial statements

An audit 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 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. Further details of the scope of an audit of financial statements are provided on the Auditing Practices Board's website at <http://www.apb.org.uk/apb/scope>.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

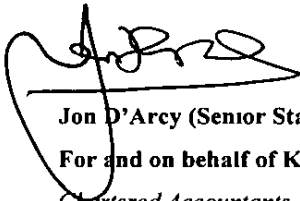
In our opinion the information given in the directors' report is consistent with the financial statements.

Independent auditors' report to the members of Regus Business Centres (UK) Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Jon D'Arcy (Senior Statutory Auditor)

For and on behalf of KPMG, Statutory Auditor

Chartered Accountants

Stokes House

17-25 College Square East

Belfast

28 February 2011

Profit and loss account
for the year ended 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Turnover		55,478	67,841
Cost of sales		(53,501)	(56,393)
Gross profit		1,977	11,448
Administrative expenses		38	(1,399)
Write-off of loan		-	(2,000)
Management fees		(12,501)	(10,480)
Gross operating loss		(10,486)	(2,431)
Loss on disposal of business	14	(1,818)	-
Provision for onerous leases	14	(4,582)	-
Loss on ordinary activities before interest		(16,886)	(2,431)
Interest receivable	4	7	9
Interest payable and similar charges	5	(460)	(8)
Loss on ordinary activities before taxation	3	(17,339)	(2,430)
Tax on loss on ordinary activities	6	264	(39)
Loss for the financial year	17	(17,075)	(2,469)

All amounts are derived from dis-continued activities

There were no gains and losses for the current or previous year other than those shown above

There is no difference between the profits for the current or previous year and their historical cost equivalents

The notes on pages 10 to 18 form part of these financial statements

Balance sheet
at 31 December 2009

	<i>Note</i>	2009	2008
		£000	£000
			Restated
Fixed assets			
Tangible assets	8	8,150	14,149
Investments	9	-	-
		<u>8,150</u>	<u>14,149</u>
Current assets			
Debtors	10	5,095	28,505
Cash at bank and in hand		69	4
		<u>5,164</u>	<u>28,509</u>
Creditors amounts falling due within one year	12	<u>(24,980)</u>	<u>(41,180)</u>
Net current liabilities		<u>(19,816)</u>	<u>(12,671)</u>
Total assets less current liabilities		<u>(11,666)</u>	<u>1,478</u>
Creditors amounts falling due after more than one year	13	(350)	(1,001)
Provisions for liabilities and charges	14	(4,582)	-
		<u>(16,598)</u>	<u>477</u>
Net (liabilities) / assets		<u>(16,598)</u>	<u>477</u>
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account	17	(16,598)	477
		<u>(16,598)</u>	<u>477</u>
Shareholder's (deficit) / funds		<u>(16,598)</u>	<u>477</u>

These financial statements were approved by the board of directors on 28 February 2011 and were signed on its behalf by


MLJ Dixon

Director

Company registration number 2961188

Statement of total recognised gains and losses
for the year ended 31 December 2009

	2009 £000	2008 £000
Loss for the financial year	(17,075)	(2,469)
Total recognised gains and losses relating to the financial year	(17,075)	(2,469)
Total gains and losses recognised since last annual report	(17,075)	(2,469)

Reconciliation of movements in shareholder's (deficit) / funds
for the year ended 31 December 2009

	2009 £000	2008 £000
Loss for the financial year	(17,075)	(2,469)
Loss retained for the financial year	(17,075)	(2,469)
Shareholder's funds at beginning of year	477	2,946
Shareholder's (deficit) / funds at end of the year	(16,598)	477

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006 under the historical cost accounting rules and comply with UK Generally Accepted Accounting Practice

Going concern

The company has contingent liabilities in respect of various lease guarantees (note 19). The company is not in a position to be able to meet such liabilities should they arise. Whilst the directors recognise that there is a material uncertainty as to whether any claims may arise under these guarantees (which does cast doubt over the company's ability to continue as a going concern) they do not expect that any claims will arise in respect of these guarantees and/or that the support from Regus No 1 Sarl will be withdrawn in the near future. Nor do they believe that the company will be required to repay its loan to Regus No 1 Sarl unless a guarantee or other material claim is made. The directors have therefore prepared these accounts on a going concern basis.

Related party transactions

As the company is a wholly owned subsidiary of Regus plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

Cash flow statement

In accordance with FRS 1, a cash flow statement has not been prepared on the grounds that the company is a wholly owned subsidiary undertaking of Regus plc and its cash flows are included within the consolidated cash flow statement of that company.

Turnover

Turnover represents the value of services provided to third parties in the year and is exclusive of VAT and similar taxes.

Centre income is invoiced two months in advance and is deferred until the month in which the services are provided.

Income for other services supplied to clients using centres is charged and recognised in the month in which the related services are provided.

Services are deemed to have been delivered to customers when, and to the extent that, the entity has met its obligations under its services contract.

Start-up costs

Start-up costs (including formation costs, costs related to finding property and any other centre opening costs) are charged to the profit and loss account as they are incurred.

Tangible fixed assets and depreciation

Depreciation is provided on a straight line basis at rates calculated to write off the cost of fixed assets to estimated residual values over their estimated useful lives at the following rates:

Furniture, telephone & office equipment	- 5 to 10 years
Other fixtures and fittings	- Shorter of the lease term, the first break point of the building lease or 10 years
Computers	- 3 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Stocks relate to items purchased for resale to customers and to items intended for distribution within the business such as office supplies and marketing materials. Provision is made for any deterioration in net realisable value as a result of obsolescence or damage.

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Leases

Building leases

Building leases are all accounted for as operating leases because substantially all the risks and rewards of ownership remain with the lessor.

The rental on certain leases is wholly or partly conditional on the profitability of the centre and therefore the risk to the business, in terms of rent, is reduced. Once all outstanding rent has been paid, landlords receive a share of the profits of the centre.

For leases which are wholly or partly conditional on the profitability of the centre, an estimate is made of the likely rent payable based on profitability in respect of the period up to the date of the first market rent review or first break point in the lease, whichever is sooner, and this is spread on a straight line basis over that period. Any subsequent changes in estimates are spread over the remaining period to the date of the first market rent review or first break point in the lease, whichever is sooner. Amounts payable in respect of profit shares are accrued once a sufficient net surplus has been made which would result in a profit share being paid.

Any incentives or rent free periods on conventional leases and the conventional element of leases, which are partly conventional and partly conditional on profitability, are spread on a straight line basis over the period to the date of the first market rent review or first break point in the lease, whichever is sooner, so that the amounts charged to the profit and loss account are the same each year over that period.

Notes (continued)

2 Segmental reporting

All turnover and losses before taxation are derived from the provision of serviced offices and related services in the United Kingdom

3 Loss on ordinary activities before taxation

	2009 £000	2008 £000
<i>Loss on ordinary activities before taxation is stated after charging</i>		
Depreciation of tangible fixed assets	4,475	4,459
Amounts paid under operating leases		
Property	26,615	27,422
Other assets	37	6
Auditors' remuneration	-	17
Audit of these financial statements	-	3
Other assurance related services	-	-
Management fees	12,501	10,480
	<u> </u>	<u> </u>

4 Interest receivable

	2009 £000	2008 £000
Interest from parent and fellow subsidiary undertakings	4	-
Other interest receivable	3	9
	<u> </u>	<u> </u>
	7	9
	<u> </u>	<u> </u>

5 Interest payable and similar charges

	2009 £000	2008 £000
Other interest payable	-	1
Amounts payable to parent and fellow subsidiary undertakings	460	7
	<u> </u>	<u> </u>
	460	8
	<u> </u>	<u> </u>

Notes (continued)

6 Tax on loss on ordinary activities

Analysis of charge/ (credit) in year

	2009 £000	2008 £000
<i>UK corporation tax</i>		
Current tax on income for the year	(18)	-
Total current tax	(18)	-
<i>Deferred tax (note 11)</i>		
Origination / reversal of timing differences	(359)	(349)
Adjustment in respect of previous years	113	388
	(246)	39
Tax on loss on ordinary activities	(264)	39

Factors affecting the tax charge for the current year

	2009 £000	2008 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(17,339)	(2,430)
Current tax at 28% (2008 28.5%)	(4,855)	(693)
<i>Effects of</i>		
Expenses not deductible for tax purposes	1,925	161
Excess of book depreciation over tax depreciation	404	356
Group relief received (not paid for)	-	(152)
Other adjustments – UK UK transfer pricing	767	328
Current period losses not relieved	1,759	-
Adjustments in respect of prior periods	(18)	-
Total current tax charge/(credit) (see above)	(18)	-

Tax losses carried forward at the end of the year were £6,284,000 (2008 £2,499,000)

7 Remuneration of the directors, staff numbers and costs

Directors' remuneration

MLJ Dixon is a director of Regus plc and his remuneration is disclosed in the accounts of that company. TSJD Regan did not receive any remuneration in relation to his services to the company. The remaining director is also a director of other subsidiaries of the Regus (UK) group of companies. As it is not practicable to allocate their remuneration between their services as director of each of these subsidiaries, details of their remuneration are disclosed in the accounts of Regus Management (UK) Limited.

Notes (continued)

Remuneration of the directors, staff numbers and costs (continued)

Staff numbers and costs

Regus Management (UK) Limited recharges payroll costs to Regus Business Centres (UK) Limited at cost. The average number of persons employed by Regus Business Centres (UK) Limited and Regus Management (UK) Limited during the year including directors, analysed by category, was as follows

	2009 Number	2008 Number
Operations	160	173

The aggregate payroll costs of these persons were as follows

	2009 £000	2008 £000
Wages and salaries	3,450	3,383
Social security costs	313	335
Pension costs	19	37
	<u>3,782</u>	<u>3,755</u>

8 Tangible fixed assets

	Computer equipment £000	Fixtures and fittings £000	Total £000
Cost			
At beginning of the year	1,616	57,036	58,652
Additions	61	670	731
Disposal of business centres to other group companies	(465)	(13,024)	(13,489)
Other transfers to other group companies	-	(2)	(2)
At end of the year	<u>1,212</u>	<u>44,680</u>	<u>45,892</u>
Depreciation			
At beginning of the year	1,512	42,991	44,503
Charge for year	83	4,392	4,475
Transfers to other group companies	-	-	-
Disposal of business centres to other group companies	(443)	(10,793)	(11,236)
At end of the year	<u>1,152</u>	<u>36,590</u>	<u>37,742</u>
Net book value			
At 31 December 2009	<u>60</u>	<u>8,090</u>	<u>8,150</u>
At 31 December 2008	<u>104</u>	<u>14,045</u>	<u>14,149</u>

Notes (continued)

9 Fixed asset investments

The company has an investment of £5,000 representing 50% of the ordinary share capital of Park Business Centres Limited, a company involved in the provision of serviced office accommodation. The company's investment is carried at nil value (2008: £nil). Subsequent to the year end, the company disposed of its shareholding in Park Business Centres Limited at par value.

10 Debtors

	2009 £000	2008 £000
<i>Amounts falling due within one year</i>		
Trade debtors	7	5,652
Amounts owed by fellow subsidiary undertakings	3,989	11,985
Amounts owed by joint venture (note 18)	74	-
Other debtors	-	8
Deferred tax asset (note 11)	326	146
Prepayments and accrued income	-	8,315
	<hr/> 4,396	<hr/> 26,106
<i>Amounts falling due after one year</i>		
Amounts owed by joint venture (note 18)	699	2,399
	<hr/> 5,095	<hr/> 28,505

11 Deferred tax asset

	2009 £000	2008 £000
At beginning of the year	146	185
Credited / (charged) to the profit and loss for the year	246	(39)
Disposal of business centres	(66)	-
	<hr/> 326	<hr/> 146

Deferred tax relates to excess capital allowances carried forward of £1,164,000 (2008: carried forward tax losses of £2,499,000, less accelerated capital allowances of £1,974,000). Tax losses carried forward for which no deferred tax asset has been recognised are £6,284,000.

Notes (continued)

12 Creditors: amounts falling due within one year

	2009	2008
	£000	Restated £000
Trade creditors	1	205
Customer deposits	-	10,948
Amounts owed to parent and fellow subsidiary undertakings *	22,265	15,697
Amounts owed to joint venture (note 18)	-	101
Taxation and social security	1,170	984
Accruals and deferred income	1,544	13,245
	<u>24,980</u>	<u>41,180</u>

* Included within this balance is a £19,134,000 loan with Regus No1 SARL (2008 £4,000,000). The loan is repayable on demand, with the lender having a first ranking floating charge over the company's assets. Interest is paid on the loan at LIBOR plus 6.42%.

13 Creditors: amounts falling due after more than one year

	2009	2008
	£000	Restated £000
Accruals and deferred income	350	1,001
	<u>350</u>	<u>1,001</u>

14 Provisions for liabilities and charges

	Provision for onerous leases £000	Total £000
At beginning of the year	-	-
Charge for the year	4,582	-
	<u>4,582</u>	<u>-</u>
At end of the year	4,582	-

During the year, the company made a loss of £1,818,000 on the disposal of 9 business centres. Subsequent to the year end, a further 12 centres were disposed of resulting in an additional loss on disposal of £4,582,000. This loss has arisen by way of the existence and recognition of onerous lease liabilities and has therefore been provided for in these accounts in accordance with FRS12.

Notes (continued)

15 Commitments

Capital commitments contracted at the end of the financial year for which no provision has been made amounted to £nil (2008 £131,000)

Annual commitments in respect of property, vehicles, plant and equipment under non-cancellable operating leases are as follows

	Property	Vehicle, plant and equipment	2009 Total	2008 Total
	£000	£000	£000	£000
Operating leases which expire				
Within one year	-	8	8	-
Within two to five years	1,501	5	1,506	706
After five years	18,737	22	18,759	23,634
	<u>20,238</u>	<u>35</u>	<u>20,273</u>	<u>24,340</u>

16 Called up share capital

	2009 £	2008 £
<i>Authorised</i>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

17 Profit and loss account

	2009 £000	2008 £000
At beginning of the year	477	2,946
Loss for the financial year	<u>(17,075)</u>	<u>(2,469)</u>
At end of the year	<u>(16,598)</u>	<u>477</u>

Notes (continued)

18 Related party transactions

During the year, the company entered into the following transactions with Park Business Centres Limited, a 50% joint venture

	2009 £000	2008 £000
Trading account		
Balance payable at start of the year	(101)	(48)
Expenses charged in the year	612	682
Cash received in the year	(437)	(735)
	<hr/>	<hr/>
Receivable / (Payable) at end of year (notes 10 & 12)	74	(101)
	<hr/>	<hr/>
Loan balance		
Balance receivable at start of year	2,399	4,399
Amount received in year	(1,700)	-
Amount waived in year	-	(2,000)
	<hr/>	<hr/>
Balance receivable at end of year (note 10)	699	2,399
	<hr/>	<hr/>

No interest has been charged on the loan balance in the year so as to prevent increasing the losses already suffered by the joint venture

19 Contingent liabilities

The company is the guarantor of a number of leases entered into by fellow group undertakings. The company is not currently in a position to be able to meet such liabilities should they all arise.

20 Ultimate parent company and controlling party

Regus Business Centres (UK) Limited is a wholly owned subsidiary of Regus Holdings (UK) Limited, a company incorporated in Great Britain and registered in England and Wales.

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.

21 Post balance sheet events

Subsequent to the year end, the disposal of a further 12 centres has completed. The loss arising on this disposal has been fully provided for in these accounts by way of the onerous lease provision.

Also subsequent to the year end, the company disposed of its shareholding in Park Business Centres Limited to Business Centres JV Partner Limited at par value.

22 Comparative amounts

A comparative amount of £11,869,000 in respect of amounts owed to fellow subsidiaries has been reclassified from non-current liabilities to current liabilities in the current year financial statements to reflect the repayment terms of the loan agreement.