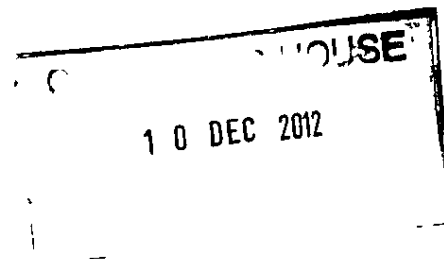


**REGISTERED NUMBER: 02961192 (England and Wales)**

**Report of the Directors and  
Financial Statements for the Year Ended 31 December 2011  
for  
Regus City Limited**



**Contents of the Financial Statements**  
*for the Year Ended 31 December 2011*

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# **Regus City Limited**

## **Company Information** *for the Year Ended 31 December 2011*

### **DIRECTORS:**

MLJ Dixon  
TSJD Regan  
PDE Gibson

### **REGISTERED OFFICE**

3000 Hillswood Drive  
Hillswood Business Park  
Chertsey  
Surrey  
KT16 ORS

### **REGISTERED NUMBER:**

02961192 (England and Wales)

### **AUDITORS:**

KPMG  
Chartered Accountants and Statutory Auditor  
Stokes House  
17-25 College Square East  
Belfast  
BT1 6DH

## **Regus City Limited (Registered number: 02961192)**

### **Report of the Directors**

*for the Year Ended 31 December 2011*

The directors present their report with the financial statements of the company for the year ended 31 December 2011

#### **CESSATION OF TRADING**

The company ceased trading on 21 March 2012

#### **PRINCIPAL ACTIVITY**

The company's principal activity was the provision of serviced offices and related services until it ceased trading on 21 March 2012

#### **REVIEW OF BUSINESS**

The results for the company show a pre-tax loss of £(1,587,000) (2010 £(595,000) loss) for the year and turnover of £3,037,000 (2010 £2,873,000)

#### **DIVIDENDS**

No dividends were paid or proposed for either the year ended 31 December 2011 or the year ended 31 December 2010

#### **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 2011 to the date of this report

MLJ Dixon  
TSJD Regan

Other changes in directors holding office are as follows

X Walters - resigned 15 April 2011  
PDE Gibson - appointed 15 April 2011

#### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

The company made no political or charitable contributions in either 2011 or 2010

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 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 accounting estimates that are reasonable and prudent,
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis.

**Regus City Limited (Registered number: 02961192)**

**Report of the Directors**  
*for the Year Ended 31 December 2011*

**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

**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**

  
TSJD Regan — Director

Date 6 December 2012

## **Report of the Independent Auditors to the Members of Regus City Limited**

We have audited the financial statements of Regus City Limited for the year ended 31 December 2011 on pages five to twelve. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). As described in note 1, they have not been prepared on a going concern basis.

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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 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.

### **Emphasis of matter – non-going concern of preparation**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note.

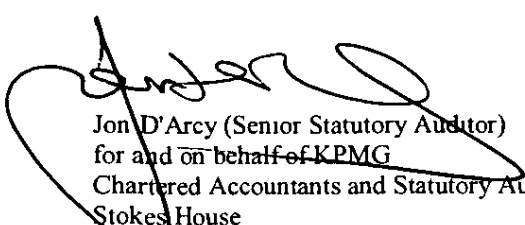
### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **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  
Chartered Accountants and Statutory Auditor  
Stokes House  
17-25 College Square East  
Belfast  
BT1 6DH

Date 6 December 2012

**Regus City Limited (Registered number: 02961192)**

**Profit and Loss Account**  
*for the Year Ended 31 December 2011*

	Notes	2011 £'000	2010 £'000
<b>TURNOVER</b>	2	3,037	2,873
Cost of sales		<u>3,098</u>	<u>3,237</u>
<b>GROSS LOSS</b>		(61)	(364)
Administrative expenses		<u>320</u>	<u>184</u>
<b>OPERATING LOSS</b>	4	(381)	(548)
Provision for dilapidations	12	<u>1,100</u>	-
		(1,481)	(548)
Interest receivable and similar income	5	-	2
Interest payable and similar charges	6	<u>(106)</u>	<u>(49)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,587)	(595)
Tax on loss on ordinary activities	7	-	(20)
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(1,587)</u>	<u>(575)</u>

**CONTINUING OPERATIONS**

The company's activities ceased within three months of the year end and are therefore classified for the purposes of the financial statements in the current year as discontinued activities. All activities were classified as continuing in the prior year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current year or previous year.

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

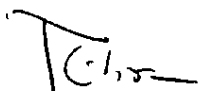
**Regus City Limited (Registered number: 02961192)**

**Balance Sheet**  
**31 December 2011**

	Notes	2011 £'000	£'000	2010 £'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	8		230		368
<b>CURRENT ASSETS</b>					
Debtors	9	1,197		1,267	
Cash at bank		<u>4</u>		<u>-</u>	
		1,201		1,267	
<b>CREDITORS</b>					
Amounts falling due within one year	10	<u>2,165</u>		<u>1,882</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(964)</u>		<u>(615)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(734)		(247)
<b>PROVISIONS FOR LIABILITIES</b>	12		<u>1,100</u>		<u>-</u>
<b>NET LIABILITIES</b>			<u>(1,834)</u>		<u>(247)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		-		-
Profit and loss account	14		<u>(1,834)</u>		<u>(247)</u>
<b>SHAREHOLDERS' FUNDS</b>	18		<u>(1,834)</u>		<u>(247)</u>

These financial statements were approved by the Board of Directors on  
on its behalf by

6 December 2012 and were signed



PDE Gibson - Director



**Notes to the Financial Statements**  
*for the Year Ended 31 December 2011*

**1 ACCOUNTING POLICIES**

**Basis of preparation**

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

**Accounting convention**

The financial statements have been prepared under the historical cost convention

**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 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 company has met its obligations under its services contract

**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 & fittings	- Shorter of the lease term, the first break point of the building lease or 10 years
Computers	- 3 years

**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

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

**Going concern**

The company's business activities are set out in the Report of the Directors on page 2. As explained in the Report of the Directors, the company has ceased trading since the balance sheet date. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business except to the extent that such costs were committed at the balance sheet date.

**Related party transactions**

As the company is a wholly owned subsidiary of Regus plc, the company has taken advantage of the exemption

**Notes to the Financial Statements**  
*for the Year Ended 31 December 2011*

**1 ACCOUNTING POLICIES - continued**

contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group

**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

**Refurbishment**

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.

The above accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

**2 TURNOVER**

All results are derived from the provision of serviced offices and related services in the United Kingdom.

**3 STAFF COSTS**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>160</b>	156
Social security costs	<b>14</b>	12
Other pension costs	<b>-</b>	1
	<b><u>174</u></b>	<b><u>169</u></b>

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

	<b>2011</b>	<b>2010</b>
Operations	<b><u>8</u></b>	<b><u>8</u></b>

Regus Management (UK) Limited recharges the payroll costs to Regus City Limited at cost

**Regus City Limited (Registered number: 02961192)**

**Notes to the Financial Statements - continued**  
*for the Year Ended 31 December 2011*

**4 OPERATING LOSS**

The operating loss is stated after charging

	2011 £'000	2010 £'000
Operating leases - property	1,405	1,400
Depreciation - owned assets	187	228
Auditors' remuneration Audit of these financial statements	<u>2</u>	<u>-</u>

	2011 £	2010 £
Directors' remuneration	<u>-</u>	<u>-</u>

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 directors are also directors of other subsidiaries of the Regus (UK) group of companies As it is not practicable to allocate their remuneration between services as director of each of these subsidiaries, details of X Walter's remuneration are disclosed in the accounts of Regus Management (UK) Limited and details of PDE Gibson's remuneration are disclosed in the accounts of Regus Business Services Limited

**5 INTEREST RECEIVABLE AND SIMILAR INCOME**

	2011 £'000	2010 £'000
Interest receivable from parent and fellow subsidiary undertakings	<u>-</u>	<u>2</u>

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	2011 £'000	2010 £'000
Interest payable to parent and fellow subsidiary undertakings	<u>106</u>	<u>49</u>

**Notes to the Financial Statements - continued**  
*for the Year Ended 31 December 2011*

**7 TAXATION**

**Analysis of the tax credit**

The tax credit on the loss on ordinary activities for the year was as follows

	<b>2011</b> <b>£'000</b>	<b>2010</b> <b>£'000</b>
Current tax		
Corporation tax - prior year	<u>-</u>	<u>(122)</u>
Deferred tax		
Deferred tax - current year	-	91
Deferred tax - prior year	<u>-</u>	<u>11</u>
Total deferred tax	<u>-</u>	<u>102</u>
Tax on loss on ordinary activities	<u>-</u>	<u>(20)</u>

**Factors affecting the tax credit**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	<b>2011</b> <b>£'000</b>	<b>2010</b> <b>£'000</b>
Loss on ordinary activities before tax	<u>(1,587)</u>	<u>(595)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 - 28%)	 (413)	 (167)
Effects of		
Expenses not deductible for tax purposes	1	7
Depreciation in excess of capital allowances	-	11
Group relief surrendered (for no payment)	412	150
Adjustments to tax charge in respect of prior periods	-	(122)
Movement in short term timing differences	<u>-</u>	<u>(1)</u>
Current tax credit	<u>-</u>	<u>(122)</u>

The company has accelerated capital allowances of £182,000 (2010 £99,000). As at 31 December 2011, these amounts have not been recognised in deferred tax.

**Regus City Limited (Registered number: 02961192)**

**Notes to the Financial Statements - continued**  
*for the Year Ended 31 December 2011*

**8 TANGIBLE FIXED ASSETS**

	<b>Fixtures and fittings £'000</b>	<b>Computer equipment £'000</b>	<b>Totals £'000</b>
<b>COST</b>			
At 1 January 2011	3,818	64	3,882
Additions	<u>40</u>	<u>9</u>	<u>49</u>
At 31 December 2011	<u>3,858</u>	<u>73</u>	<u>3,931</u>
<b>DEPRECIATION</b>			
At 1 January 2011	3,454	60	3,514
Charge for year	<u>182</u>	<u>5</u>	<u>187</u>
At 31 December 2011	<u>3,636</u>	<u>65</u>	<u>3,701</u>
<b>NET BOOK VALUE</b>			
At 31 December 2011	<u>222</u>	<u>8</u>	<u>230</u>
At 31 December 2010	<u>364</u>	<u>4</u>	<u>368</u>

**9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2011 £'000</b>	<b>2010 £'000</b>
Trade debtors	401	317
Amounts owed by group undertakings	322	316
Corporation tax	-	122
VAT	-	1
Prepayments and accrued income	<u>474</u>	<u>511</u>
	<u>1,197</u>	<u>1,267</u>

**10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2011 £'000</b>	<b>2010 £'000</b>
Trade creditors	50	26
Amounts owed to group undertakings *	1,557	1,202
VAT	3	-
Accruals and deferred income	<u>555</u>	<u>654</u>
	<u>2,165</u>	<u>1,882</u>

\* Included within this balance is a £1,480,000 loan from Regus No1 SARL (2010 £1,179,000) The lender has a first ranking floating charge over the company's assets Interest is paid on the loan at LIBOR plus 6 42%

**Regus City Limited (Registered number: 02961192)**

**Notes to the Financial Statements - continued**  
*for the Year Ended 31 December 2011*

**11 OPERATING LEASE COMMITMENTS**

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

	<b>Property</b>	
	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Expiring		
Within one year	<b>312</b>	-
Between one and five years	<u>-</u>	<u>1,406</u>
	<u><b>312</b></u>	<u><b>1,406</b></u>

**12 PROVISIONS FOR LIABILITIES**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Other provisions		
Provision for dilapidations	<u><b>1,100</b></u>	<u>-</u>

**13 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid				
Number	Class	Nominal value	<b>2011</b>	<b>2010</b>
		£1	<b>£</b>	<b>£</b>
100	Ordinary		<u><b>100</b></u>	<u><b>100</b></u>

**14 RESERVES**

	<b>Profit and loss account</b>
	<b>£'000</b>
At 1 January 2011	(247)
Deficit for the year	<u>(1,587)</u>
At 31 December 2011	<u><b>(1,834)</b></u>

**Regus City Limited (Registered number: 02961192)**

**Notes to the Financial Statements - continued**  
*for the Year Ended 31 December 2011*

**15 ULTIMATE PARENT COMPANY**

Regus City Limited is a wholly owned subsidiary of Regus Group 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](http://www.regus.com) or from the Regus plc head office, 26 Boulevard Royal, L-2449 Luxembourg

**16 CAPITAL COMMITMENTS**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Contracted but not provided for in the financial statements	<u>-</u>	<u>13</u>

**17 POST BALANCE SHEET EVENTS**

The company ceased trading at its business centre at Liverpool Street, London on 21 March 2012. The company has no ongoing trading activity. A provision of £1,100,000 has been made for dilapidations.

**18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Loss for the financial year	<u>(1,587)</u>	<u>(575)</u>
<b>Net reduction of shareholders' funds</b>	<b>(1,637)</b>	<b>(575)</b>
Opening shareholders' funds	<u>(247)</u>	<u>328</u>
<b>Closing shareholders' funds</b>	<b><u>(1,834)</u></b>	<b><u>(247)</u></b>