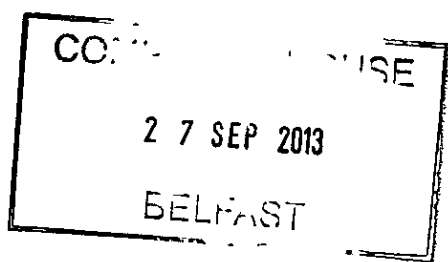


**REGISTERED NUMBER: 02961192 (England and Wales)**

**Report of the Directors and  
Financial Statements for the Year Ended 31 December 2012  
for  
Regus City Limited**



**Contents of the Financial Statements**  
*for the Year Ended 31 December 2012*

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# **Regus City Limited**

## **Company Information**

*for the Year Ended 31 December 2012*

### **DIRECTORS:**

MLJ Dixon  
TSJD Regan  
PDE Gibson

### **REGISTERED OFFICE:**

268 Bath Road  
Slough  
Berkshire  
SL1 4DX

### **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 2012*

The directors present their report with the financial statements of the company for the year ended 31 December 2012

#### **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 £(51,000) (2011 £(1,587,000) loss) for the year and turnover of £718,000 (2011 £3,037,000)

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.

#### **DIVIDENDS**

No dividends were paid or proposed for either the year ended 31 December 2012 or the year ended 31 December 2011

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report

MLJ Dixon  
TSJD Regan  
PDE Gibson

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

The company made no political or charitable contributions in either 2012 or 2011

#### **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.

#### **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.

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

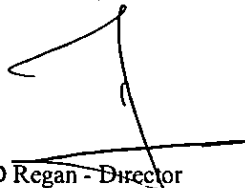
**Report of the Directors**

*for the Year Ended 31 December 2012*

**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:**

A handwritten signature in black ink, appearing to be 'TSJD Regan', written over a horizontal line.

TSJD Regan - Director

16 September 2013

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

We have audited the financial statements of Regus City Limited for the year ended 31 December 2012 which comprise the Profit and Loss account, Balance Sheet and Notes to the Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and UK 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members 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 Ethical Standards for Auditors.

### **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 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 Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2012 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 basis 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.




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

### **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

16 September 2013



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

**Profit and Loss Account**

*for the Year Ended 31 December 2012*

	Notes	2012 £'000	2011 £'000
<b>TURNOVER</b>	2	<b>718</b>	3,037
Cost of sales		<u>624</u>	<u>3,098</u>
<b>GROSS PROFIT/(LOSS)</b>		<b>94</b>	(61)
Administrative expenses		<u>69</u>	<u>320</u>
<b>OPERATING PROFIT/(LOSS)</b>	4	<b>25</b>	(381)
Provision for dilapidations		<u>-</u>	<u>1,100</u>
		<b>25</b>	(1,481)
Interest payable and similar charges	5	<u>(76)</u>	<u>(106)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(51)</b>	(1,587)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b><u>(51)</u></b>	<b><u>(1,587)</u></b>

**CONTINUING OPERATIONS**

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

**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

The notes on pages 8 to 13 form part of these financial statements

5.

**Regus City Limited (Registered number: 02961192)****Balance Sheet**  
**31 December 2012**

	Notes	2012 £'000	2011 £'000
<b>FIXED ASSETS</b>			
Tangible assets	7	-	230
<b>CURRENT ASSETS</b>			
Debtors	8	308	1,197
Cash at bank		-	4
		<u>308</u>	<u>1,201</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>1,093</u>	<u>2,165</u>
<b>NET CURRENT LIABILITIES</b>		<u>(785)</u>	<u>(964)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(785)</u>	<u>(734)</u>
<b>PROVISIONS FOR LIABILITIES</b>	11	<u>1,100</u>	<u>1,100</u>
<b>NET LIABILITIES</b>		<u><u>(1,885)</u></u>	<u><u>(1,834)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	-	-
Profit and loss account	13	<u>(1,885)</u>	<u>(1,834)</u>
<b>SHAREHOLDERS' FUNDS</b>	15	<u><u>(1,885)</u></u>	<u><u>(1,834)</u></u>

These financial statements were approved by the Board of Directors on 16 September 2013 and were signed on its behalf by



PDE Gibson - Director

The notes on pages 8 to 13 form part of these financial statements

**Notes to the Financial Statements**  
*for the Year Ended 31 December 2012*

**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 - 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 during the year. 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 a 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

**Notes to the Financial Statements - continued**  
*for the Year Ended 31 December 2012*

**1 ACCOUNTING POLICIES - continued**

**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

**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**

	2012 £'000	2011 £'000
Wages and salaries	15	160
Social security costs	1	14
	<u>16</u>	<u>174</u>

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

	2012	2011
Operations	<u>4</u>	<u>8</u>

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

**4 OPERATING PROFIT/(LOSS)**

The operating profit (2011 - operating loss) is stated after charging

	2012 £'000	2011 £'000
Operating leases - property	339	1,405
Depreciation - owned assets	101	187
Auditors' remuneration Audit of these financial statements	<u>1</u>	<u>2</u>
	<u>2012</u>	<u>2011</u>
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>





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

**Notes to the Financial Statements - continued**  
*for the Year Ended 31 December 2012*

**4 OPERATING PROFIT/(LOSS) - continued**

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

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	2012 £'000	2011 £'000
Interest payable to parent and fellow subsidiary undertakings	76	106

**6 TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2012 nor for the year ended 31 December 2011.

**Factors affecting the tax charge**

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

	2012 £'000	2011 £'000
Loss on ordinary activities before tax	(51)	(1,587)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.500% (2011 - 26%)	(13)	(413)
Effects of		
Expenses not deductible for tax purposes	1	1
Capital allowances in excess of depreciation	24	-
(Group relief received not paid for) / Group relief surrendered for no payment	(12)	412
Current tax charge	-	-

The company has accelerated capital allowances of £641,000 (2011: £728,000) for which no deferred tax asset has been recognised.

**Factors that may affect future and total tax charges**

As noted above, the deferred tax asset has not been recognised on the basis that there is uncertainty with regard to the timing of future taxable profits.

Following the 2013 budget statement, the main rate of UK corporation tax was reduced from 24% to 23% with effect from the 1 April 2013. Thereafter the main rate of UK corporation tax will continue to reduce each year to 20% by 1 April 2015. 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.

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

**Notes to the Financial Statements - continued**  
*for the Year Ended 31 December 2012*

**7 TANGIBLE FIXED ASSETS**

	<b>Fixtures and fittings £'000</b>	<b>Computer equipment £'000</b>	<b>Totals £'000</b>
<b>COST</b>			
At 1 January 2012	3,858	73	3,931
Disposals	(3,556)	(66)	(3,622)
Reclassification/transfer	(302)	(7)	(309)
	<hr/>	<hr/>	<hr/>
At 31 December 2012	-	-	-
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
At 1 January 2012	3,636	65	3,701
Charge for year	97	4	101
Eliminated on disposal	(3,556)	(66)	(3,622)
Reclassification/transfer	(177)	(3)	(180)
	<hr/>	<hr/>	<hr/>
At 31 December 2012	-	-	-
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31 December 2012	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2011	222	8	230
	<hr/>	<hr/>	<hr/>

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

	<b>2012 £'000</b>	<b>2011 £'000</b>
Trade debtors	4	401
Amounts owed by group undertakings	278	322
VAT	23	-
Prepayments and accrued income	3	474
	<hr/>	<hr/>
	308	1,197
	<hr/>	<hr/>

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

	<b>2012 £'000</b>	<b>2011 £'000</b>
Trade creditors	24	50
Amounts owed to group undertakings	1,069	1,557
VAT	-	3
Accruals and deferred income	-	555
	<hr/>	<hr/>
	1,093	2,165
	<hr/>	<hr/>

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

**Notes to the Financial Statements - continued**  
*for the Year Ended 31 December 2012*

**10 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>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Expiring		
Within one year	-	312
	<u>          </u>	<u>          </u>

**11 PROVISIONS FOR LIABILITIES**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Other provisions		
Provision for dilapidations	1,100	1,100
	<u>          </u>	<u>          </u>

**12 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid			<b>2012</b>	<b>2011</b>
Number	Class	Nominal value	<b>£</b>	<b>£</b>
100	Ordinary	£1	100	100
			<u>          </u>	<u>          </u>

**13 RESERVES**

	<b>Profit and loss account</b>
	<b>£'000</b>
At 1 January 2012	(1,834)
Deficit for the year	(51)
	<u>          </u>
At 31 December 2012	(1,885)
	<u>          </u>

**14 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



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

**Notes to the Financial Statements - continued**  
*for the Year Ended 31 December 2012*

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

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Loss for the financial year	<u>(51)</u>	<u>(1,587)</u>
<b>Net reduction of shareholders' funds</b>	<b>(51)</b>	<b>(1,587)</b>
Opening shareholders' funds	<u>(1,834)</u>	<u>(247)</u>
<b>Closing shareholders' funds</b>	<b><u>(1,885)</u></b>	<b><u>(1,834)</u></b>