

**Regus Holdings (UK) Limited**

**Directors' report and financial  
statements**

**Year ended 31 December 2008**

**Registered number 04560622**

MONDAY



\*A303TFE2\*

A05

30/11/2009

37

COMPANIES HOUSE

## **Directors' report and financial statements**

### **Contents**

Directors' report	1-2
Statement of directors' responsibilities in respect of the Directors' report and the financial statements	3
Independent auditors' report to the members of Regus Holdings (UK) Limited	4
Profit and loss account	5
Balance sheet	6
Statement of total recognised gains and losses	7
Reconciliation of movements in shareholders' funds	7
Notes forming part of the financial statements	8-16

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

### **Principal activities and business review**

The company and its subsidiary undertakings principal activity is the provision of serviced offices and related services. Details of the subsidiary undertakings are given on page 13.

The results for the company show a pre-tax profit of £3,025,000 (2007: £10,581,000) for the year and turnover of £3,733,000 (2007: £1,032,000).

### **Dividends paid**

The company paid a dividend of £nil during the financial year (2007: £10,600,000).

### **Directors**

The directors who held office during the year were as follows:

MLJ Dixon

X Walters

TSJD Regan

### **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 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 principle 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 6 to the financial statements.

### **Political contributions and charitable donations**

The company made no political or charitable contributions in either 2008 or 2007.

## **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.

By order of the Board



**X Walters**  
*Secretary*

3000 Hillswood Drive  
Chertsey  
Surrey  
KT16 0RS  
30 June 2009

## **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 and applicable law (UK Generally Accepted Accounting Practice).

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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

The directors are also responsible for preparing a Directors' report that complies with the Companies Act 1986.

By order of the Board



**X Walters**  
*Secretary*

3000 Hillswood Drive  
Chertsey  
Surrey  
KT16 0RS  
30 June 2009

## **Independent auditors' report to the members of Regus Holdings (UK) Limited**

We have audited the financial statements of Regus Holdings (UK) Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movement in shareholders funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities on page 3.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

  
KPMG  
Chartered Accountants &  
Registered Auditors  
17/25 College Square East  
Belfast BT1 6DH

30

June 2009

**Profit and loss account**  
*for year ended 31 December 2008*

	<i>Note</i>	<b>2008</b> <b>£000</b>	<b>2007</b> <b>£000</b>
Turnover	<i>1</i>	3,733	1,032
Earnings before interest, tax, depreciation and amortisation		958	(446)
Depreciation		(183)	(73)
Operating profit/ (loss)	<i>4</i>	775	(519)
Dividend received		2,250	11,100
Profit on ordinary activities before taxation		3,025	10,581
Tax on profit on ordinary activities	<i>5</i>	(361)	131
Profit for the financial year	<i>16</i>	2,664	10,712

All amounts are derived from continuing activities.

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

The notes on pages 8 to 16 form part of these financial statements.

**Balance sheet**  
*at 31 December 2008*

	<i>Note</i>	<b>2008</b>	<b>2007</b>
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Tangible assets	8	1,350	1,559
Investments	9	3	3
<b>Current assets</b>			
Debtors	10	26,482	19,280
		<u>26,482</u>	<u>19,280</u>
<b>Creditors: amount falling due within one year</b>	11	<u>(9,111)</u>	<u>(4,753)</u>
<b>Net current assets</b>		<b>17,371</b>	<b>14,527</b>
<b>Total assets less current liabilities</b>		<b>18,724</b>	<b>16,089</b>
Provisions for liabilities	12	(56)	(85)
<b>Net assets</b>		<b>18,668</b>	<b>16,004</b>
<b>Capital and reserves</b>			
Called up share capital	14	4	4
Share premium account	15	16,299	16,299
Profit and loss account	16	2,365	(299)
<b>Shareholders' funds</b>		<b>18,668</b>	<b>16,004</b>

These financial statements were approved by the board of directors on 30 June 2009 and were signed on its behalf by:

MLJ Dixon  
Director





**Statement of total recognised gains and losses**  
*for the year ended 31 December 2008*

	2008 £000	2007 £000
Profit for the financial year	2,664	10,712
Total recognised gains and losses relating to the financial year	2,664	10,712
Total gains and losses recognised since last annual report	2,664	10,712

**Reconciliation of movements in shareholders' funds**  
*for the year ended 31 December 2008*

	2008 £000	2007 £000
Profit for the financial year	2,664	10,712
Ordinary dividend paid	-	(10,600)
Profit retained for the financial year	2,664	112
Shareholders' funds at beginning of the year	16,004	15,892
Shareholders' funds at end of the year	18,668	16,004

## 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 1985 under the historical cost accounting rules and comply with UK Generally Accepted Accounting Practice.

The company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

#### *Going concern*

The company's business activities are set out in the Business review on page 1. The company have positive financial resources and have generated a current year profit. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### *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.

#### *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 Regus 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.

#### *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

## **Notes** *(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.

### ***Pensions***

Regus Holdings (UK) Limited operates defined contribution schemes. Contributions are charged to the profit and loss account as incurred.

### ***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 profits/ (losses) before taxation are derived from the provision of serviced offices and related services in the United Kingdom.

### 3 Profit on ordinary activities before taxation

	2008 £000	2007 £000
<i>Profit on ordinary activities before taxation is stated after charging/ (crediting):</i>		
Depreciation of tangible fixed assets	183	73
Amounts paid under operating leases: Property	983	603
Auditors' remuneration: As auditors	1	1
Management fees	529	144
Dividend received	(2,250)	(11,100)
	<hr/>	<hr/>

### 4 Operating profit/ (loss)

Operating profit/ (loss) is arrived at as follows:

	2008 £000	2007 £000
<b>Turnover</b>	3,733	1,032
Cost of sales	(2,429)	(1,407)
	<hr/>	<hr/>
<b>Gross loss</b>	1,304	(375)
Management fees	(529)	(144)
	<hr/>	<hr/>
<b>Operating profit/ (loss)</b>	775	(519)
	<hr/>	<hr/>

### 5 Tax on profit on ordinary activities

Analysis of charge/ (credit) in the year:

	2008 £000	2007 £000
<i>UK corporation tax</i>		
Current tax on income for the year	390	-
Adjustments in respect of prior years	-	(216)
	<hr/>	<hr/>
<b>Total current tax</b>	390	(216)
Deferred tax	(29)	85
	<hr/>	<hr/>
<b>Tax on profit on ordinary activities</b>	361	(131)
	<hr/>	<hr/>

## Notes (continued)

### 5 Tax on profit on ordinary activities (continued)

Factors affecting the tax charge/ (credit) for the current year:

	2008 £000	2007 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	3,025	10,581
	<hr/>	<hr/>
Current tax at 28.5% (2007: 30%)	862	3,174
<i>Effects of:</i>		
Expenses not deductible for tax purposes	5	2
Excess of tax depreciation over book depreciation	(32)	(91)
Group relief received (not paid for)	-	(25)
Other adjustments – UK: UK transfer pricing	197	270
Adjustments in respect of prior periods	-	(216)
Non-taxable income	(642)	(3,330)
	<hr/>	<hr/>
Total current tax charge/ (credit) (see above)	390	(216)
	<hr/>	<hr/>

On 1<sup>st</sup> April 2008, the UK rate of corporation tax decreased from 30% to 28%.

### 6 Remuneration of the directors, staff numbers and costs

#### Remuneration of directors

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 their services as directors of each of these subsidiaries, details of their remuneration are disclosed in the accounts of Regus Management (UK) Limited.

#### Staff numbers and costs

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

	2008 Number	2007 Number
Operations	5	2
	<hr/>	<hr/>
	5	2
	<hr/>	<hr/>

## Notes (continued)

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

#### Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	2008 £000	2007 £000
Wages and salaries	149	74
Social security costs	16	8
	<hr/>	<hr/>
	165	82
	<hr/>	<hr/>

### 7 Dividends

	2008 £000	2007 £000
Final dividend paid in respect of the current year	-	10,600
	<hr/>	<hr/>
	-	10,600
	<hr/>	<hr/>

## Notes (continued)

### 8 Tangible fixed assets

	Fixtures and fittings £000	Computer equipment £000	Total £000
<i>Cost</i>			
At beginning of the year	1,616	16	1,632
Additions	(33)*	7	(26)
	<hr/>	<hr/>	<hr/>
At end of the year	1,583	23	1,606
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At beginning of the year	71	2	73
Charge for the year	174	9	183
	<hr/>	<hr/>	<hr/>
At end of the year	245	11	256
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2008	1,338	12	1,350
	<hr/>	<hr/>	<hr/>
At 31 December 2007	1,545	14	1,559
	<hr/>	<hr/>	<hr/>

\* Negative additions have arisen in 2008 as a result of the purchase price of assets being lower than accrued for in 2007.

### 9 Fixed asset investments

	2008 £000	2007 £000
Cost at beginning and end of the year	3	3
	<hr/>	<hr/>

The principal subsidiaries in which the company has an interest at the year end of more than 20% are as follows:

	Country of incorporation	Principal activity	Class and Percentage of shares held
Regus UK Limited	England	Serviced offices	Ordinary, 100%
Regus Business Centres (UK) Limited	England	Serviced offices	Ordinary, 100%
Regus City Limited	England	Serviced offices	Ordinary, 100%
Regus Business Services Limited	Northern Ireland	Service Company	Ordinary, 100%

## Notes (continued)

### 10 Debtors

	2008 £000	2007 £000
Trade debtors	627	402
Amounts owed by parent and fellow subsidiary undertakings	25,409	18,794
Other debtors	-	84
Prepayments	446	-
	<u>26,482</u>	<u>19,280</u>

### 11 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Customer deposits	473	389
Amounts owed to parent and fellow subsidiary undertakings	6,207	2,579
Corporation tax	390	-
Taxation and social security	59	60
Accruals and deferred income	1,982	1,725
	<u>9,111</u>	<u>4,753</u>

### 12 Provisions for liabilities

	Deferred tax £000	Total £000
At beginning of year	85	85
Charged to the profit and loss for the year	(29)	(29)
	<u>56</u>	<u>56</u>

Deferred tax relates to accelerated capital allowances of £199,000 (2007: £305,000)



## Notes (continued)

### 13 Commitments

Capital commitments contracted at the end of the financial year for which no provision has been made amounted to £nil (2007: nil).

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

	Property	Vehicle, plant and equipment	2008 Total	2007 Total
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	-	-	-	-
Within two to five years	-	-	-	-
After five years	1,340	-	1,340	372
	<u>1,340</u>	<u>-</u>	<u>1,340</u>	<u>372</u>

### 14 Called up share capital

	2008 £	2007 £
<i>Authorised</i>		
359,777 Ordinary shares of £0.01 each	3,598	3,598
	<u>3,598</u>	<u>3,598</u>
<i>Allotted, called up and fully paid</i>		
359,777 Ordinary shares of £0.01 each	3,598	3,598
	<u>3,598</u>	<u>3,598</u>

### 15 Share premium account

	2008 £000	2007 £000
At the beginning and end of the year	16,299	16,299
	<u>16,299</u>	<u>16,299</u>

### 16 Profit and loss account

	2008 £000	2007 £000
At beginning of the year	(299)	(411)
Profit for the financial year	2,664	10,712
Dividend paid (note 7)	-	(10,600)
	<u>2,365</u>	<u>(299)</u>
At end of the year	2,365	(299)

## **Notes** *(continued)*

### **17 Ultimate parent company and controlling party**

Regus Holdings (UK) Limited and its subsidiaries are wholly owned subsidiaries of Regus Centres (UK) Ltd, 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.