

Regus H

Directors' Report and Financial  
Statements

Registered number 05177178

Year ended 30 November 2016



## **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
Report of the independent auditors to the members of Regus H	4-5
Profit and loss account and other comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes	9-12

## **Directors' report**

*for the year ended 30 November 2016*

The directors present their Directors' report and the financial statements of the company for the year ended 30 November 2016.

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

The company was formed in 2004 to hold shares in USA based subsidiary undertakings, in particular HQ Global Workplaces and its subsidiaries, which were disposed of to a fellow subsidiary during 2013 as part of a group reorganisation. Funding for the investments is provided from a combination of share capital and dollar based loans made available by a number of other group subsidiaries. Profits and losses arise from interest payable and from foreign currency translation gains and losses. The company has ceased to trade. As a result, the financial statements have not been prepared on a going concern basis. The effect of this is explained in note 1.

### **Results and dividends**

The loss for the year ended 30 November 2016 was £1,307,411 (2015 loss: £275,006). The directors do not recommend payment of a dividend (2015: £nil).

### **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 IWG plc group as a whole, is provided in the group's annual report which does not form part of this report.

### **Directors**

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

RJG Lobo (*resigned 23 January 2017*)

TSJD Regan

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

The company made no political or charitable contributions in 2016 (2015: £nil).

### **Future developments**

The directors do not envisage any significant change in the activity of the company in the foreseeable future.

### **Small company exemption**

In preparing the Directors' Report, the directors have taken the small companies exemption under section 414B of the Companies Act 2006 not to prepare Strategic Report.

## Directors' report *(continued)*

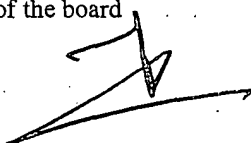
### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as each is aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves 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, KPMG, will be deemed to be reappointed and therefore continue in office.

By order of the board



**TSJD Regan**  
*Director*

Regus 6<sup>th</sup> Floor  
2 Kingdom Street  
London  
W2 6BD

22 August 2017

## 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.

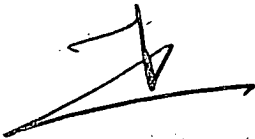
Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure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

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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. As explained in note 1 – basis of preparation – forming part of the financial statements, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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

By order of the board



**TSJD Regan**  
Director

Regus 6<sup>th</sup> Floor  
2 Kingdom Street  
London  
W2 6BD

22 August 2017



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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REGUS H**

We have audited the financial statements of Regus H for the year ended 30 November 2016 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 101 *Reduced Disclosure Framework*. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

### **Opinions and conclusions arising from our audit**

#### ***1 Our opinion on the financial statements is unmodified***

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 November 2016 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.

#### ***2 Our opinion on the financial statements is accompanied by an emphasis of matter - non-going concern basis of preparation***

In forming our opinion on the financial statements, which is not modified, 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.

#### ***3 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below***

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

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

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

#### ***4 We have nothing to report in respect of matters on which we are required to report by exception***

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirements to prepare a Strategic Report.

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



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REGUS H (continued)

### Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

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

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

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

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

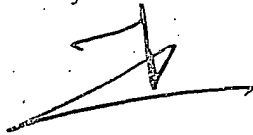
22 August 2017

**Balance sheet**  
*at 30 November 2016*

	<i>Note</i>	<b>2016 £000</b>	<b>2015 £000</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	6,113	6,113
		<u>6,113</u>	<u>6,113</u>
Creditors: amounts falling due within one year	7	(7,617)	(6,310)
<b>Net current liabilities</b>		<u>(1,504)</u>	<u>(197)</u>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account		(1,504)	(197)
<b>Equity shareholder's deficit</b>		<u>(1,504)</u>	<u>(197)</u>

The notes on pages 9 to 12 form part of these financial statements.

These financial statements were approved by the board of directors on 22 August 2017 and were signed on its behalf by:



**TSJD Regan**  
Director  
Registered Number 05177178



**Statement of changes in equity**  
*at 30 November 2016*

	Called up Share capital £000	Profit and loss account £000	Shareholders' funds £000
Balance at 1 December 2014	-	78	78
<b>Total comprehensive income for the period</b>			
Profit or loss	-	(275)	(275)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(275)	(275)
<b>Balance at 30 November 2015</b>	-	(197)	(197)

	Called up Share capital £000	Profit and loss account £000	Shareholders' deficit £000
Balance at 1 December 2015	-	(197)	(197)
<b>Total comprehensive income for the period</b>			
Profit or loss	-	(1,307)	(1,307)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(1,307)	(1,307)
<b>Balance at 30 November 2016</b>	-	(1,504)	(1,504)

The notes on pages 9 to 12 form part of these financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

Regus H (the "Company") is a company incorporated and domiciled in the UK.

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

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

The Company's ultimate parent undertaking, IWG plc includes the Company in its consolidated financial statements. The consolidated financial statements of IWG plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company's website [www.iwgplc.com](http://www.iwgplc.com) or from IWG plc head office, Dammstrasse 19, CH-6300, Zug, Switzerland.

#### FRS 101 – Reduced Disclosure Exemptions

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

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

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

- Certain disclosures required by IFRS 13 Fair value measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures

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

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

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

## Notes (continued)

### 1 Accounting policies (continued)

#### *Measurement Convention*

The financial statements are prepared on the historical cost basis.

#### *Going concern*

The company's principal activity and future developments of the company are set out in the Directors' report on page 1. During a previous year, the company ceased to trade and the likelihood is that the Directors will seek to wind up the company in the foreseeable future. As such the financial statements have been prepared on a break up basis.

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### *Taxation*

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

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

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

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

#### *Non-derivative financial instruments*

##### *Trade and other debtors*

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

##### *Trade and other creditors*

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

#### *Securities pledged*

There is a charge on the security interest in the collateral, as collateral security for the prompt and complete payment and performance when due of the obligations.

## Notes (continued)

### 2 Operating loss

	2016 £000	2015 £000
<i>Operating profit is stated after charging</i>		
Loss on foreign currencies	(1,307)	(275)

Auditor's remuneration of £1,000 (2015: £1,000) is borne by Regus Group Services Limited without recharge in 2016.

### 3 Directors emoluments

The directors' fees were borne by Regus Group Services Limited without recharge, in both 2016 and 2015.

### 4 Tax on loss on ordinary activities

*Total tax expense recognised in the profit and loss account, other comprehensive income and equity*

The company is resident in the UK for tax purposes. There is no tax charge for the year (2015: £nil).

*Reconciliation of effective tax rate*

The current tax charge differs from the amount obtained by the application of the standard rate of corporation tax in the UK to the Company's accounting profit before taxation for the following reasons:

	2016 £000	2015 £000
Loss on ordinary activities before tax	(1,307)	(275)
Current tax at 20.00% (2015: 20.25%)	(261)	(56)
<i>Effects of:</i>		
Non-deductible exchange differences	-	56
Other timing differences	22	-
Group relief received not paid for	239	-
Total tax expense	-	-

*Factors affecting future tax charges:*

The company has non-trading losses carried forward for future use estimated at £761,000 (2015: £627,000) which have not been recognised in deferred tax due to uncertainties over recovery.

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were enacted on 26 October 2015. Finance Bill 2016 further reduced the 18% rate to 17% from 1 April 2020, following substantive enactment on 6 September 2016. Together these will reduce the company's future tax charges accordingly.

### 5 Number of employees

There were no employees during the year apart from the directors.

## Notes (continued)

### 6 Debtors: amounts falling due within one year

	2016 £000	2015 £000
Amounts owed by group undertakings	6,113	6,113

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

	2016 £000	2015 £000
Amounts owed to group undertakings	7,617	6,310

### 8 Share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid</i> 100 ordinary shares of £1	100	100

### 9 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of IWG plc, a company incorporated in Jersey with its place of central administration (head office) in Switzerland. The immediate parent undertaking is Regus H Holdings, a company incorporated in the United Kingdom.

The largest group in which the results of the company are consolidated is that headed by IWG plc, a company incorporated in Jersey. The consolidated accounts of IWG plc are available to the public and may be obtained from the company's website [www.iwgplc.com](http://www.iwgplc.com) or from the IWG plc head office, Dammstrasse 19, CH-6300 Switzerland.

### 10 Events after the reporting period

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