

REGISTERED NUMBER: 07094874 (England and Wales)

**Report of the Directors and
Financial Statements for the Year Ended 31 December 2012
for
Regus (Chertsey Hillswood Drive) Limited**



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for the Year Ended 31 December 2012

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Regus (Chertsey Hillswood Drive) Limited

Company Information *for the Year Ended 31 December 2012*

DIRECTORS:

N Benbow
N McIntyre

REGISTERED OFFICE:

268 Bath Road
Slough
Berkshire
SL1 4DX

REGISTERED NUMBER:

07094874 (England and Wales)

AUDITORS:

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

Regus (Chertsey Hillwood Drive) Limited (Registered number: 07094874)

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

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

The results for the company show a pre-tax loss of £(188,000) (2011 £(202,000) loss) for the year and turnover of £2,882,000 (2011 £2,918,000)

DIVIDENDS

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

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 2012 to the date of this report

N Benbow

N McIntyre

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 (Chertsey Hillswood Drive) Limited (Registered number: 07094874)

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, consisting of a stylized 'N' followed by a horizontal line.

N McIntyre - Director

16 September 2013

Independent Auditors' Report to the Members of Regus (Chertsey Hillwood Drive) Limited

We have audited the financial statements of Regus (Chertsey Hillwood Drive) 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 a 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.

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 (Chertsey Hillswood Drive) 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 Arcey (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 (Chertsey Hillswood Drive) Limited (Registered number: 07094874)

Profit and Loss Account

for the Year Ended 31 December 2012

	Notes	2012 £'000	2011 £'000
TURNOVER	2	2,882	2,918
Cost of sales		<u>2,410</u>	<u>2,589</u>
GROSS PROFIT		472	329
Administrative expenses		<u>624</u>	<u>635</u>
OPERATING LOSS	4	(152)	(306)
Exceptional items	5	<u>121</u>	<u>223</u>
		(31)	(83)
Interest payable and similar charges	6	<u>(157)</u>	<u>(119)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(188)	(202)
Tax on loss on ordinary activities	7	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(188)</u>	<u>(202)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous 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 (Chertsey Hillswood Drive) Limited (Registered number: 07094874)

Balance Sheet

31 December 2012

	Notes	2012 £'000	2011 £'000
CURRENT ASSETS			
Debtors	9	877	745
CREDITORS			
Amounts falling due within one year	10	<u>4,815</u>	<u>4,495</u>
NET CURRENT LIABILITIES		<u>(3,938)</u>	<u>(3,750)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(3,938)</u>	<u>(3,750)</u>
CAPITAL AND RESERVES			
Called up share capital	12	-	-
Merger reserve	13	(612)	(612)
Profit and loss account	13	<u>(3,326)</u>	<u>(3,138)</u>
SHAREHOLDERS' FUNDS	16	<u>(3,938)</u>	<u>(3,750)</u>

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



N Benbow - 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. The directors believe the company's funding is likely to be sufficient to meet its day to day working capital requirements and that accordingly it is appropriate to prepare these financial statements on a going concern basis

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	2011
	£'000	£'000
Wages and salaries	133	144
Social security costs	11	13
Other pension costs	1	2
	<u>145</u>	<u>159</u>

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

	2012	2011
Operations	<u>6</u>	<u>7</u>

Regus Management (UK) Limited recharges the payroll costs to Regus (Chertsey Hillwood Drive) Limited at cost.

4 OPERATING LOSS

The operating loss is stated after charging

	2012	2011
	£'000	£'000
Operating leases - property	1,119	1,177
Operating leases - other assets	<u>277</u>	<u>315</u>

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

4 OPERATING LOSS - continued

	2012 £	2011 £
Directors' remuneration	-	-

Amounts paid to the company's auditor in respect of services to the company have been paid for by Regus Management (UK) Limited. Details of auditor's remuneration are disclosed in the accounts of Regus Management (UK) Limited.

Neither of the directors received any remuneration in relation to their services to the company.

5 EXCEPTIONAL ITEMS

Exceptional items of £121,000 (2011: £223,000) have been credited due to the actual restructuring costs being lower than the amount previously estimated.

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £'000	2011 £'000
Interest payable to parent and fellow subsidiary undertakings	157	119

7 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	(188)	(202)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.500% (2011: 26%)	(46)	(53)
Effects of:		
Expenses not deductible for tax purposes	2	(4)
Group relief surrendered (for no payment)	191	58
Movement in short term timing differences	(147)	(1)
Current tax charge	-	-

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

7 TAXATION - continued

The company has tax losses carried forward of £1,564,000 (2011 £1,564,000), decelerated capital allowances of £353,000 (2011 £276,000) and other timing differences £23,000 (2011 £nil) 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

8 TANGIBLE FIXED ASSETS

	Computer equipment £'000
COST	
At 1 January 2012	
and 31 December 2012	<u>1</u>
DEPRECIATION	
At 1 January 2012	
and 31 December 2012	<u>1</u>
NET BOOK VALUE	
At 31 December 2012	<u>-</u>
At 31 December 2011	<u>-</u>

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Trade debtors	276	273
Amounts owed by group undertakings	197	71
Prepayments and accrued income	404	401
	<u>877</u>	<u>745</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Trade creditors	72	20
Amounts owed to group undertakings	3,215	2,802
Accruals and deferred income	1,528	1,673
	<u>4,815</u>	<u>4,495</u>

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

11 OPERATING LEASE COMMITMENTS

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

	Property		Vehicle, plant & equipment	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Expiring				
Within one year	-	-	2	122
Between one and five years	-	-	117	103
In more than five years	932	1,090	-	-
	<u>932</u>	<u>1,090</u>	<u>119</u>	<u>225</u>

12 CALLED UP SHARE CAPITAL

Number	Class	Nominal value £1	2012 £	2011 £
2	Ordinary		<u>2</u>	<u>2</u>

13 RESERVES

	Profit and loss account £'000	Merger reserve £'000	Totals £'000
At 1 January 2012	(3,138)	(612)	(3,750)
Deficit for the year	(188)	-	(188)
At 31 December 2012	<u>(3,326)</u>	<u>(612)</u>	<u>(3,938)</u>

14 ULTIMATE PARENT COMPANY

Regus (Chertsey Hillswood Drive) Limited is a wholly owned subsidiary of Regus Estates (UK) Limited, a company incorporated in Great Britain and registered in England and Wales

The smallest and largest group in which the results of the company are consolidated is that headed by Regus plc, a company incorporated in Jersey. The consolidated accounts of Regus plc are available to the public and may be obtained from the Company's website www.regus.com or from the Regus plc head office, 26 Boulevard Royal, L-2449 Luxembourg

15 POST BALANCE SHEET EVENTS

With effect from 28 February 2013, the company paid a premium of £151,000 to surrender approximately seventeen per cent of the leased space at its Business centre in Hillswood Drive, Chertsey. The company continues to trade in the remaining space

Regus (Chertsey Hillswood Drive) Limited (Registered number: 07094874)

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

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£'000	£'000
Loss for the financial year	(188)	(202)
	<hr/>	<hr/>
Net reduction of shareholders' funds	(188)	(202)
Opening shareholders' funds	(3,750)	(3,548)
	<hr/>	<hr/>
Closing shareholders' funds	(3,938)	(3,750)
	<hr/>	<hr/>