

# **Regus Group Limited**

## **Directors' Report and Financial Statements**

**Registered Number 04868977**

**31 December 2018**



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

### **Contents**

	<b>Page</b>
	<b>No.</b>
Directors' report	1
Strategic report	2
Statement of directors' responsibilities	3
Report of the independent auditor to the members of Regus Group Limited	4 - 5
Profit and loss account and other comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes (forming part of the financial statements)	9 - 22

## **Directors' Report**

*For the year ended 31 December 2018*

The Directors present their report and the financial statements of the company for the year ended 31 December 2018.

### **Dividends**

The directors do not recommend the payment of a dividend (2017: £nil).

### **Directors**

The directors shown below have held office during the period from 1 January 2018 to the date of this report

- TSJD Regan
- SJ Wetherall

### **Political contributions**

The Company made no political contributions in 2018 (2017: £nil).

### **Future Developments**

The company is a holding company and does not trade. The directors do not expect that the company will trade in the foreseeable future.

### **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.

### **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:

  
TSJD Regan  
Director

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

18 October 2019

## Strategic report

*For the year ended 31 December 2018*

### Business review

#### *Principal activities*

The principal activity of the Company is to hold investments.

#### *Review of business*

The loss for the financial year was £1,764,000 (2017: profit of £4,537,000).

#### *Key performance indicators*

The directors have identified the following key performance indicators:

- Mature earnings per share
- Network location growth
- Total overheads per available workstation

Further discussion of these key performance indicators, 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.

#### *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.

By order of the board

  
TSJD Regan  
Director and Secretary

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

18 October 2019

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT,  
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 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 its profit or loss 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 requirements of the Companies Act 2006.

By Order of the Board

  
**TSJD Regan**  
Director

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

18 October 2019



KPMG  
Audit  
The Soloist Building  
1 Lanyon Place  
Belfast BT1 3LP  
Northern Ireland

## Independent auditor's report to the members of Regus Group Limited

### 1 Report on the audit of the financial statements

#### **Opinion**

We have audited the financial statements of Regus Group Limited ('the Company') for the year ended 31 December 2018, which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **We have nothing to report on going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

#### **Other Information**

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2006.



## Independent auditor's report to the members of Regus Group Limited (*continued*)

### ***Matters on which we are required to report by exception***

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 requirement to prepare a strategic report.

We have nothing to report in regard to these matters.

## **2 Respective responsibilities and restrictions on use**

### ***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

### ***The purpose of our audit work and to whom we owe our responsibilities***

Our 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  
Chartered Accountants and Statutory Auditor

The Soloist Building  
1 Lanyon Place  
Belfast  
BT1 3LP

21 October 2019

**Profit and Loss Account and Other Comprehensive Income**  
*For the year ended 31 December 2018*

	<i>Note</i>	2018 £000	2017 £000
Administrative expenses		(86)	(39)
Other operating expenses		(148)	(123)
Recognition of impairment of investments	7	(6,480)	(30,217)
Loss on disposal of investments	7	(1)	(11)
<b>Loss on ordinary activities before interest and taxation</b>	<b>2</b>	<b>(6,715)</b>	<b>(30,390)</b>
Interest receivable and similar income		2	-
Interest payable and similar charges	5	(3,973)	(4,125)
Dividends received from subsidiary undertakings		9,152	39,240
<b>(Loss) / profit on ordinary activities before taxation</b>		<b>(1,534)</b>	<b>4,725</b>
Tax charge on (loss) / profit on ordinary activities	6	(230)	(188)
<b>(Loss) / profit for the financial year</b>		<b>(1,764)</b>	<b>4,537</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the financial year</b>		<b>(1,764)</b>	<b>4,537</b>

All amounts are derived from continuing operations.

There were no gains or losses during the year other than those shown above.

The notes on pages 9 to 23 form an integral part of these financial statements.



**Balance Sheet**  
*at 31 December 2018*

	<i>Note</i>	<b>2018 £000</b>	<b>2017 £000</b>
<b>Fixed assets</b>			
Investments	7	260,492	244,225
<b>Current assets</b>			
Debtors	8	350,977	20,706
		<u>350,977</u>	<u>20,706</u>
Creditors: amounts falling due within one year	9	(31,638)	(79,652)
<b>Net current assets</b>		<u>319,339</u>	<u>(58,946)</u>
<b>Total assets less current liabilities</b>		<u>579,831</u>	<u>185,279</u>
<b>Net assets</b>		<u>579,831</u>	<u>185,279</u>
<b>Capital and reserves</b>			
Called up share capital	10	443,599	47,411
Capital redemption reserve		50	50
Capital contribution reserve		18,528	18,400
Profit and loss account		117,654	119,418
<b>Shareholder's funds</b>		<u>579,831</u>	<u>185,279</u>

The notes on pages 9 to 23 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 18 October 2019 and were signed on its behalf by:

  
**TSJD Regan**  
Director

Registered Number 4868977

**Statement of Changes in Equity**  
*at 31 December 2018*

	<b>Called up Share capital £000</b>	<b>Capital redemption reserve £000</b>	<b>Capital contribution reserve £000</b>	<b>Profit and loss account £000</b>	<b>Shareholders' funds £000</b>
Balance at 1 January 2017	47,411	50	17,104	114,881	179,446
<b>Total comprehensive income for the period</b>					
Profit or loss account	-	-	-	4,537	4,537
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	4,537	4,537
<b>Transactions with owners recorded directly in equity</b>					
Equity settled share based payment	-	-	1,296	-	1,296
<b>Balance at 31 December 2017</b>	<b>47,411</b>	<b>50</b>	<b>18,400</b>	<b>119,418</b>	<b>185,279</b>
	<b>Called up Share capital £000</b>	<b>Capital redemption reserve £000</b>	<b>Capital contribution reserve £000</b>	<b>Profit and loss account £000</b>	<b>Shareholders' funds £000</b>
Balance at 1 January 2018	47,411	50	18,400	119,418	185,279
<b>Total comprehensive income for the period</b>					
Profit or loss account	-	-	-	(1,764)	(1,764)
Allotment of shares	396,188	-	-	-	396,188
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>396,188</b>	<b>-</b>	<b>-</b>	<b>(1,764)</b>	<b>394,424</b>
<b>Transactions with owners recorded directly in equity</b>					
Equity settled share based payment	-	-	128	-	128
<b>Balance at 31 December 2018</b>	<b>443,599</b>	<b>50</b>	<b>18,528</b>	<b>117,654</b>	<b>579,831</b>

The notes on pages 9 to 23 form an integral part of these financial statements.

## Notes (forming part of the financial statements)

### 1 Accounting policies

#### Company information

Regus Group Limited (the "Company") is a company incorporated, domiciled and registered in the UK.

#### Basis of preparation

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

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

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 are publically available and may be obtained from the Company's website [www.iwgplc.com](http://www.iwgplc.com) or from IWG plc head office, Dammstrasse 19, Zug CH - 6300 – Switzerland.

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;
- 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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 13.

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

#### Measurement convention

The financial statements have been prepared under the historical cost convention and on the going concern basis.

## Notes (Continued)

### 1 Accounting policies (continued)

#### Changes in accounting policies

The Company has changed its accounting policies in these financial statements in the areas outlined below.

The following standards were adopted by the Company in these financial statements:

- IFRS 15: Revenue from Contract with Customers
- IFRS 9: Financial Instruments

The accounting policies set out above have been applied consistently to all periods presented in these financial statements. Amendments to adopted IFRSs issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) with an effective date from 1 January 2018 did not have a material effect on the Company's financial statements.

#### Impact of the adoption of IFRS 15

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

The company has no revenue in either the current or the prior year. Therefore, the application of IFRS 15 did not result in any material impact on the company.

#### Impact of the adoption of IFRS 9 – financial assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. It contains three principal classification categories for financial assets: measured at amortised costs, fair value through other comprehensive income (OCI) and fair value through the profit or loss. The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

The new classification requirements didn't have a material impact on any of the Company's accounting balances.

#### Impact of the adoption of IFRS 9 – financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, under IAS 39 all fair value changes of liabilities designated as at fair value through the profit or loss are recognised in profit or loss, whereas under IFRS 9 these fair value changes are generally presented as follows:

- The amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in other comprehensive income; and
- The remaining amount of change in the fair value is presented in profit or loss.

The Company has not designated any financial liabilities at fair value through the profit or loss and it has no current intention to do so. The Company's adoption of IFRS 9 did not result in any change in the classification of financial liabilities at 1 January 2018. Consequently, there were no adjustments to be recognised in either the income statement or other comprehensive income.

## Notes (Continued)

### 1. Accounting policies (continued)

#### *Going concern*

The Company has net current assets of £319,339,000 (2017: liabilities of £58,946,000). Of the Company's current liabilities at 31 December 2018, £31,502,000 (2017: £79,584,000) are amounts due to fellow group or parent undertakings outside of the group that Regus Group Limited controls.

The company has sufficient investments from which it can pull distributions or over which it could secure borrowings that it could repay from further distributions. The Company currently obtains its working capital by calling distributions from its wholly owned subsidiaries over which it has control. If needed, the Company can call upon further dividends to meet its working capital requirements and current liabilities. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Based on the above considerations, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

#### *Share based payment*

The Company's parent undertaking awards share options and conditional share awards to employees of subsidiary undertakings of the Company. No goods or services are received directly by the Company from the employees in exchange for the share based payment and the services are received wholly by the subsidiary Company. The Company accounts for the fair value of the share based payment, measured at the date of grant, as an increase in the carrying value of the investment in the subsidiary recognised over the period during which the employees become unconditionally entitled to the options and awards. No expense is recognised in the profit and loss account of the Company for share based payment. A corresponding increase in equity is recognised for the contribution from the Company's parent undertaking for the provision of the share options and conditional share awards.

#### *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: the 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.

#### *Foreign currencies*

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### *Investments in subsidiaries*

Investments in subsidiaries are carried at cost less impairment.

## Notes (Continued)

### 1 Accounting policies (continued)

#### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable. Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

#### *Financial instruments (policy applicable from 1 January 2018)*

##### *Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

##### *Classification and subsequent measurement – financial assets*

Financial assets are classified as subsequently measured at amortised cost, fair value through the profit or loss or fair value through other comprehensive income (OCI). The classification depends on the nature and purpose of the financial assets and is determined on initial recognition.

Financial assets (including trade and other receivables) are measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

Financial assets (including trade and other receivables) are measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### *Subsequent measurement and gains and losses*

Financial assets at amortised cost - these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

##### *Interest bearing borrowings and other financial liabilities*

Financial liabilities, including interest bearing borrowings, are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, financial liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest rate method.

The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or expired. Financial liabilities are classified as financial liabilities at fair value through profit or loss where the liability is either held for trading or is designated as held at fair value through profit or loss on initial recognition. Financial liabilities at fair value through profit or loss are stated at fair value with any resultant gain or loss recognised in the income statement. The Company has not designated any financial liabilities at fair value through the profit or loss and it has no current intention to do so.

## Notes (Continued)

### 1 Accounting policies (continued)

#### *Financial instruments (policy applicable from 1 January 2018) (continued)*

##### *Impairment – financial assets*

IFRS 9 requires the Company to record expected credit losses (ECLs) on all of its financial instruments, either on a 12-month or lifetime basis. The Company applied the simplified approach to trade receivables and recorded the lifetime expected losses.

#### *Financial instruments (policy applicable prior to 1 January 2018)*

##### *Non-derivative financial instruments*

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

##### *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.

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Impairment*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### *Impairment of Non-financial assets excluding deferred tax assets*

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

## Notes (Continued)

### 1 Accounting policies (continued)

#### Financial instruments (policy applicable prior to 1 January 2018) (continued)

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### Securities pledged

The intercompany loans are guaranteed by fixed charges over its assets, book debts, credit balances, interests in all shares, stocks, debentures, bonds, warrants, coupons or other securities and investments.

### 2 Loss on ordinary activities before interest and taxation

The loss before interest and taxation is stated after charging:

	2018 £000	2017 £000
Loss on foreign exchange transactions	(146)	(35)
	<u>(146)</u>	<u>(35)</u>

Auditor's remuneration of £4,100 (2017: £4,000) is borne by Regus Group Services Limited without recharge.

### 3 Directors emoluments

The Directors' fees were borne by Regus Group Services Limited without recharge.

### 4 Employees

There were no employees during the year apart from directors (2017: Nil).

### 5 Net finance expense

	2018 £000	2017 £000
Interest payable to other group companies	(3,973)	(4,125)



## Notes (continued)

### 6 Taxation

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

	2018 £000	2017 £000
<i>UK corporation tax</i>		
UK corporation tax on income for the period	-	-
<i>Foreign tax</i>	230	188
Current tax	-	-
Total current tax charge	230	188
<i>Deferred taxation</i>		
Timing differences origination and reversal	-	-
Total tax expense	230	188

#### *Reconciliation of effective tax rate*

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2018 £000	2017 £000
Profit / (loss) on ordinary activities before taxation	(1,534)	4,725
Tax using the UK corporation rate of 19% (2017: 19.25%)	(291)	910
<i>Factors affecting tax charge:</i>		
Expenses not deductible for tax purposes	-	21
Provisions against investments	1,231	5,815
Income not taxable	(1,739)	(7,552)
Foreign tax	230	188
Group relief surrendered	799	804
Other adjustments	-	2
Total tax expense	230	188

#### *Factors affecting future tax charges*

Tax losses carried forward for future use are estimated at £2,773,000 (2017: £2,773,000). As at 31 December 2018 this amount has not been recognised in deferred tax due to uncertainties over recovery.

Reduction in the UK corporation tax rate to 18% (effective from 1 April 2020) was enacted on 26 October 2015. Finance Bill 2016 further reduced the 18% rate to 17% from 1 April 2020, following enactment on 6 September 2016. It is expected that this graduated fall in the main corporation tax rate will result in a reduction of the company's future tax charges.

## Notes (continued)

### 7 Fixed asset investments

*Shares in group undertakings and participating interests*

	Cost £000	Accumulated impairment £000	Net book value £000
At 1 January 2018	457,839	(213,614)	244,225
Additions	22,621	-	22,621
Disposals <sup>(1)</sup>	(1)	-	(1)
Fair value of share based payment	127	-	127
Recognition of provisions for impairment	-	(6,480)	(6,480)
At 31 December 2018	480,586	(220,094)	260,492

Note 1 – During the year, an investment of £1,000 was disposed of for £nil consideration.

An impairment review is performed where there are indicators that the carrying amount of investments in group undertakings may not be recoverable. During the year, an assessment of the net asset value and, where applicable, the forecast future cash flows of certain of the Company's subsidiaries identified that the carrying amount was impaired and accordingly an impairment loss was recognised. A review is performed on previously impaired investments in group undertakings where there are indicators that the recoverable amount has increased. During the year, an assessment of the net asset value and, where applicable, the forecast future cash flows of certain of the Company's subsidiaries with previous impairments identified that the recoverable amount had increased and accordingly a reversal of prior impairment losses was recognised.

Investments which represent a holding greater than 20% are as follows:

Name of company	Registered office address	Class and percentage of shares held 2018	Class and percentage of shares held 2017
Rgs Bus. Centre Argentina Sa	Argentina	Ordinary 71.99%	Ordinary 71.99%
Centros Rgs De Argentina S.A.	Argentina	Ordinary 95%	Ordinary 95%
Regus Centres Pty Ltd	Australia	Ordinary 100%	Ordinary 100%
IWG Holdings (Australia) Pty Ltd	Australia	Ordinary 100%	-
Regus Parramatta Pty Ltd	Australia	Ordinary 100%	Ordinary 100%
Rgs Business Centre (Austria)	Austria	Ordinary 100%	Ordinary 100%
Regus Holding LLC	Bahrain	Ordinary 100%	Ordinary 100%
Regus Management Bahrain Spc	Bahrain	Ordinary 100%	Ordinary 100%
Regus Business Centre Nv	Belgium	Ordinary 99.9%	Ordinary 99.9%
Regional B.S. Bosnia Herzegovina	Bosnia and Herzegovina	-	Ordinary 100%
Regus Do Brasil Ltda	Brazil	Ordinary 99.65%	Ordinary 99.65%
Investimentos Hq Do Brasil Ltd	Brazil	Ordinary 98%	Ordinary 98%
Regus Bulgaria Eood	Bulgaria	Ordinary 100%	Ordinary 100%
Rgs Bus. Ctr.S Canada Ltd	Canada	Ordinary 100%	Ordinary 100%
Rgn Services Limited	Canada	Ordinary 100%	Ordinary 100%
Oceanic Business Centre Inc.	Canada	Ordinary 100%	Ordinary 100%
Guardian Financial Corp	Canada	Ordinary 100%	Ordinary 100%
Pacific Business Centre, Inc.	Canada	Ordinary 100%	Ordinary 100%
Willingdon Park Business Centr	Canada	Ordinary 100%	Ordinary 100%
Rgs Bus Service (Shanghai) Ltd	China	Ordinary 100%	Ordinary 100%
Regus Columbia Ltda	Colombia	Ordinary 99.67%	Ordinary 99.67%

## Notes (continued)

### 7 Fixed asset investments (continued)

Name of company	Country of registration	Class and percentage of shares held 2018	Class and percentage of shares held 2017
Rgs Costa Rican Centres Ltda.	Costa Rica	Ordinary 90%	Ordinary 90%
Abidjan, Plein Ciel	Cote d'Ivoire	Ordinary 100%	Ordinary 100%
Abidjan XI Plateau Centre	Cote d'Ivoire	Ordinary 100%	Ordinary 100%
Regus Business Centre, S.R.O.	Czech Republic	Ordinary 100%	Ordinary 100%
Regus Empiria S.R.O.	Czech Republic	Ordinary 100%	Ordinary 100%
Regus Burzovni Palac Sro	Czech Republic	Ordinary 100%	Ordinary 100%
Regus Brno Spielberk S.R.O.	Czech Republic	Ordinary 100%	Ordinary 100%
Regus Emea Fsc S.R.O.	Czech Republic	Ordinary 100%	Ordinary 100%
Prague Andel Bus. Centre Sro	Czech Republic	Ordinary 100%	Ordinary 100%
Ostrava, City Centre S.R.O.	Czech Republic	Ordinary 100%	Ordinary 100%
Prague Butovice Business Centr	Czech Republic	Ordinary 100%	Ordinary 100%
Prague Pavlova Business Centre	Czech Republic	Ordinary 100%	Ordinary 100%
Prague River Garden Bus Ctr	Czech Republic	Ordinary 100%	Ordinary 100%
Prague New City Business Ctr	Czech Republic	Ordinary 100%	Ordinary 100%
Regus LSC s.r.o.	Czech Republic	Ordinary 100%	Ordinary 100%
Brink Service Office A/S	Denmark	Ordinary 100%	Ordinary 100%
Firstclients A/S	Denmark	Ordinary 100%	Ordinary 100%
Regus Ecuador Sociedad Civil	Ecuador	Ordinary 100%	Ordinary 100%
Rbc Llc (Egypt)	Egypt	Ordinary 99%	Ordinary 99%
Nasr City Business Center LLC	Egypt	Ordinary 100%	Ordinary 100%
Regus El Salvador, Srl	El Salvador	Ordinary 99%	Ordinary 99%
Nuclei Limited	England	Ordinary 49% (a)	Ordinary 49% (a)
Regus Centres Limited	England	Ordinary 100%	Ordinary 100%
Regus Centres Uk Limited	England	Ordinary 100%	Ordinary 100%
Regus Birmingham	England	Ordinary 100%	Ordinary 100%
Regus Mayfair Limited	England	Ordinary 100%	Ordinary 100%
Tosca Vehicle Limited	England	Ordinary 100%	Ordinary 100%
Regus Estates (UK) Limited	England	Ordinary 100%	Ordinary 100%
Regus Finland Oy	Finland	Ordinary 100%	Ordinary 100%
Pelican	Finland	Ordinary 100%	Ordinary 100%
Regus Holdings	France	Ordinary 100%	Ordinary 100%
Regus Business Center (Emea)	France	Ordinary 100%	Ordinary 100%
Regus Gmbh & Co Kg	Germany	Ordinary 100%	Ordinary 100%
Rgs Germany Netspace & Co Kg	Germany	Ordinary 100%	Ordinary 100%
Regus Germany Holding Gp Gmbh	Germany	Ordinary 100%	Ordinary 100%
Rgs Berlin Lindencorso Gp	Germany	Ordinary 100%	Ordinary 100%
Workplace Plus Ghana Ltd	Ghana	Ordinary 100%	-
Regus Hellas Sa	Greece	Ordinary 99.99%	Ordinary 99.99%
Rg Serviced Offices Epc	Greece	Ordinary 90%	Ordinary 90%
Regional Business Ctr Greece	Greece	Ordinary 90%	Ordinary 90%
Regus Guatemala Srl.	Guatemala	Ordinary 99%	Ordinary 99%

## Notes (continued)

### 7 Fixed asset investments (continued)

Name of company	Country of registration	Class and percentage of shares held 2018	Class and percentage of shares held 2017
Regus Business Solutions	Hong Kong	Ordinary 100%	Ordinary 100%
Regus Centre Management	Hong Kong	Ordinary 100%	Ordinary 100%
Regus Business Centre Limited	Hong Kong	Ordinary 100%	Ordinary 100%
Regus Business Services (Hk)	Hong Kong	Ordinary 100%	Ordinary 100%
Regus Hong Kong Limited	Hong Kong	Ordinary 100%	Ordinary 100%
Regus Services Limited	Hong Kong	Ordinary 100%	Ordinary 100%
Regus Centre Limited	Hong Kong	Ordinary 100%	Ordinary 100%
Regus Centre (Hk) Limited	Hong Kong	Ordinary 100%	Ordinary 100%
Regus Kalman Kft - Hungary	Hungary	Ordinary 100%	Ordinary 100%
Regus Emke Kft - Hungary	Hungary	Ordinary 100%	Ordinary 100%
Regus Arpad Kft - Hungary	Hungary	Ordinary 100%	Ordinary 100%
Regus Business Center Kft	Hungary	Ordinary 100%	Ordinary 100%
First Site Centre Kft	Hungary	Ordinary 100%	Ordinary 100%
Regus West End Centre Kft.	Hungary	Ordinary 100%	Ordinary 100%
Alkotas Centre Korlatolt	Hungary	Ordinary 100%	Ordinary 100%
Fehervari Centre Kft.	Hungary	Ordinary 100%	Ordinary 100%
Northside Business Centres Kft.	Hungary	Ordinary 100%	Ordinary 100%
Rakoczi Centre No. 1 Kft.	Hungary	Ordinary 100%	Ordinary 100%
Eastside Centre Kft.	Hungary	Ordinary 100%	Ordinary 100%
Pt Rgs Bus. Centre Indonesia	Indonesia	Ordinary 95%	Ordinary 95%
Pt Rgs Business Centre Satrio	Indonesia	Ordinary 99%	Ordinary 99%
Pt Regus Grand Indonesia	Indonesia	Ordinary 99%	Ordinary 99%
Regus Ireland Ltd	Ireland	Ordinary 100%	Ordinary 100%
Rbc Ltd	Israel	Ordinary 99%	Ordinary 99%
Regus Japan Kk	Japan	Ordinary 100%	Ordinary 100%
Rgs Bus. Centre Sapporo K.K	Japan	Ordinary 100%	Ordinary 100%
Open Office K.K.	Japan	Ordinary 100%	Ordinary 100%
Regus Japan Holdings K.K.	Japan	Ordinary 100%	Ordinary 100%
Ammanwasfi Al Tall St Ctr Psc	Jordan	Ordinary 100%	Ordinary 100%
AMMAN, Wadi Saqra	Jordan	Ordinary 100%	Ordinary 100%
Luxembourg Kirchberg Centre Sa	Luxembourg	Ordinary 100%	Ordinary 100%
Rgs Macau Business Centre Co.	Macau	Ordinary 100%	Ordinary 100%
Regional Bc Macedonia Dooel Sk	Macedonia	Ordinary 100%	Ordinary 100%
Regus Centres Sdn Bhd	Malaysia	Ordinary 100%	Ordinary 100%
Regus Malaysia Sdn Bhd	Malaysia	Ordinary 100%	Ordinary 100%
Regus Vista Sdn Bhd	Malaysia	Ordinary 100%	Ordinary 100%
Regus Malta Management Limited	Malta	Ordinary 99%	Ordinary 99%
Regus Mauritius Company	Mauritius	Ordinary 100%	Ordinary 100%
Regus México S De RI De Cv.	Mexico	Ordinary 50%	Ordinary 50%
Rgs Mgmt. De México Sa De Cv.	Mexico	Ordinary 95%	Ordinary 95%

## Notes (continued)

### 7 Fixed asset investments (continued)

Name of company	Country of registration	Class and percentage of shares held 2018	Class and percentage of shares held 2017
Centros Rgs Del Sur De Mexico	Mexico	Ordinary 95%	Ordinary 95%
Regus Monaco Sarl	Monaco	Ordinary 99.99%	Ordinary 99.99%
Regus Netherlands Bv	Netherlands	Ordinary 100%	Ordinary 100%
RBCN Limited	Nigeria	Ordinary 90%	-
Rbc Norway As	Norway	Ordinary 100%	Ordinary 100%
Regus Business Centre (Panama)	Panama	Ordinary 96.41%	Ordinary 96.41%
Regus Paraguay Srl	Paraguay	Ordinary 99%	Ordinary 99%
Regus Business Centre (Peru)	Peru	Ordinary 99.94%	Ordinary 99.94%
Regus Business Centre Peru Ii	Peru	Ordinary 99%	Ordinary 99%
Regus Business Centre Peru Iii	Peru	Ordinary 99%	Ordinary 99%
Regus Business Centre Peru Iv	Peru	Ordinary 99%	Ordinary 99%
Regus Business Centre Peru V S	Peru	Ordinary 99%	Ordinary 99%
Philippines Centre 12, Inc.	Philippines	Ordinary 99.99%	Ordinary 99.99%
Philippines Centre No. 11, Inc	Philippines	Ordinary 99.99%	Ordinary 99.99%
Phl Pc Centre 15, Inc.	Philippines	Ordinary 99.99%	Ordinary 99.99%
Phl Pc Centre No.16, Inc.	Philippines	Ordinary 99.99%	Ordinary 99.99%
Regus Management Inc	Philippines	Ordinary 99.99%	Ordinary 99.99%
Regus Philippines Centre No.17	Philippines	Ordinary 99.99%	Ordinary 99.99%
Regus Tec Centre, Inc	Philippines	Ordinary 99.99%	Ordinary 99.99%
Regus Pit Centre, Inc.	Philippines	Ordinary 99.99%	Ordinary 99.99%
Regus Philippines Centre No 18	Philippines	Ordinary 99.99%	Ordinary 99.99%
Regus Philippines Centre No 19	Philippines	Ordinary 99.99%	Ordinary 99.99%
Regus Philippines No. 20 Inc.	Philippines	Ordinary 99.99%	Ordinary 99.99%
Regus Commerce And Industry	Philippines	Ordinary 99.99%	Ordinary 99.99%
CBD Ayala Centre, Inc	Philippines	Ordinary 99.99%	Ordinary 99.99%
Topaz Tower Davao, Inc.	Philippines	Ordinary 99.99%	Ordinary 99.99%
Regus Zoliborz Sp. Z O.O.	Poland	Ordinary 100%	Ordinary 100%
Rgs Business Centre Sp. Z O.O.	Poland	Ordinary 100%	Ordinary 100%
Regus Plaza Sp Z O O	Poland	Ordinary 100%	Ordinary 100%
Regus Wisniowy Sp Z O O	Poland	Ordinary 100%	Ordinary 100%
Regus Mokotow Sp. Z O.O	Poland	Ordinary 100%	Ordinary 100%
Regus Metropolitan Sp. Z O.O	Poland	Ordinary 100%	Ordinary 100%
Rbc Lda (Portugal)	Portugal	Ordinary 99%	Ordinary 99%
Charles De Gaulle Plaza Cntr	Romania	Ordinary 90%	Ordinary 90%
Bucharest Iride Centre SRL	Romania	Ordinary 100%	Ordinary 100%
Bucharest Business Centre Office No. 1 SRL	Romania	Ordinary 100%	Ordinary 100%
Llc Rbc (Russia)	Russia	Ordinary 100%	Ordinary 100%
Rbc Avrora Llc (Russia)	Russia	Ordinary 100%	Ordinary 100%
Regus Capital Plaza Llc	Russia	Ordinary 100%	Ordinary 100%
St Petersburg	Russia	Ordinary 100%	Ordinary 100%

## Notes (continued)

### 7 Fixed asset investments (continued)

Name of company	Country of registration	Class and percentage of shares held 2018	Class and percentage of shares held 2017
Rbc Citydel Llc	Russia	Ordinary 100%	Ordinary 100%
Llc Moscow City Centre	Russia	Ordinary 100%	Ordinary 100%
Llc Garden Ring North	Russia	Ordinary 100%	Ordinary 100%
White Square Centre Llc	Russia	Ordinary 100%	Ordinary 100%
South Garden Ring Llc	Russia	Ordinary 100%	Ordinary 100%
East Garden Ring Llc	Russia	Ordinary 100%	Ordinary 100%
South Boulevard Ring Llc	Russia	Ordinary 100%	Ordinary 100%
East Boulevard Ring Llc	Russia	Ordinary 100%	Ordinary 100%
West Boulevard Ring Llc	Russia	Ordinary 100%	Ordinary 100%
North Boulevard Ring Llc	Russia	Ordinary 100%	Ordinary 100%
Regus Embankment Tower Llc	Russia	Ordinary 100%	Ordinary 100%
Austrian Business Centre	Russia	Ordinary 100%	Ordinary 100%
West Garden Ring Llc	Russia	Ordinary 100%	Ordinary 100%
Central Garden Ring Llc	Russia	Ordinary 100%	Ordinary 100%
North Plaza LLC	Russia	Ordinary 100%	Ordinary 100%
Central Business Park LLC	Russia	Ordinary 100%	Ordinary 100%
East Plaza LLC	Russia	Ordinary 100%	Ordinary 100%
Central Plaza LLC	Russia	Ordinary 100%	Ordinary 100%
West Business Park LLC	Russia	Ordinary 100%	Ordinary 100%
South Business Park LLC	Russia	Ordinary 100%	Ordinary 100%
West Plaza LLC	Russia	Ordinary 100%	Ordinary 100%
North Business Park LLC	Russia	Ordinary 100%	Ordinary 100%
East Business Park LLC	Russia	Ordinary 100%	Ordinary 100%
South Plaza LLC	Russia	Ordinary 100%	Ordinary 100%
Regus Senegal Sarl	Senegal	Ordinary 50%	Ordinary 50%
Sec Bus.'Embassies Belgrade	Serbia	Ordinary 100%	Ordinary 100%
Regus Business Centre D.O.O.	Serbia	Ordinary 100%	Ordinary 100%
Regional Buzn Ctr No.1 Doo Bco	Serbia	Ordinary 100%	Ordinary 100%
Rgs Cntrs Pte Ltd (Singapore)	Singapore	Ordinary 100%	Ordinary 100%
Rgs Singapore Raffles Place	Singapore	Ordinary 100%	Ordinary 100%
Regus Singapore Sh Pte Ltd	Singapore	Ordinary 100%	Ordinary 100%
Rgs Bus. Cntr Bratislava S.R.O	Slovakia	Ordinary 100%	Ordinary 100%
Regus Southern Africa (Pty)	South Africa	Ordinary 100%	Ordinary 100%
Regus Korea Group Limited	South Korea	Ordinary 100%	Ordinary 100%
Regus Management Espana Sl	Spain	Ordinary 100%	Ordinary 100%
Regus Stureplan Ab	Sweden	Ordinary 100%	Ordinary 100%
Regus Frosundavik Ab	Sweden	Ordinary 100%	Ordinary 100%
Business Centre Stockholm Ab	Sweden	Ordinary 100%	Ordinary 100%
Solna Serviced Offices Ab	Sweden	Ordinary 100%	Ordinary 100%
Regus Solna Strand Ab	Sweden	Ordinary 100%	Ordinary 100%

## Notes (continued)

### 7 Fixed asset investments (continued)

Name of company	Country of registration	Class and percentage of shares held 2018	Class and percentage of shares held 2017
Östermalmstorg Bus. Centre Ab	Sweden	Ordinary 100%	Ordinary 100%
Park Venue Stockholm Ab	Sweden	Ordinary 100%	Ordinary 100%
Gärdet Centre Ab	Sweden	Ordinary 100%	Ordinary 100%
Malmö Gamla Vaster Ab	Sweden	Ordinary 100%	Ordinary 100%
Same but different AB	Sweden	Ordinary 100%	Ordinary 100%
Ringvägen Business Centre Ab	Sweden	Ordinary 100%	Ordinary 100%
Malmö City Centre Ab	Sweden	Ordinary 100%	Ordinary 100%
Regus Garda AB	Sweden	Ordinary 100%	Ordinary 100%
Regus Lilla Bommen AB	Sweden	Ordinary 100%	Ordinary 100%
Regus Business Centers Ag	Switzerland	Ordinary 100%	Ordinary 100%
Taipei Regus Office Centre Co.	Taiwan	Ordinary 100%	Ordinary 100%
Taipei Songshan Minquandong Ce	Taiwan	Ordinary 100%	Ordinary 100%
Taipei Hsin Ji Centre Co., Ltd	Taiwan	Ordinary 100%	Ordinary 100%
Taipei San Lian Centre Co. Ltd	Taiwan	Ordinary 100%	Ordinary 100%
Taipei Rgs Bus. Cntr Co., Ltd.	Taiwan	Ordinary 100%	Ordinary 100%
Taipei Landmark Center Co., Ltd	Taiwan	Ordinary 100%	Ordinary 100%
Regus Centres Ltd (Thailand)	Thailand	Ordinary 99.98%	Ordinary 99.98%
Office Advantage Ltd	Thailand	Ordinary 49%	Ordinary 49%
Regus Mgmt (Thailand) Ltd	Thailand	Ordinary 88.72%	Ordinary 88.72%
Regus (Thailand) Ltd	Thailand	Ordinary 47.7%	Ordinary 47.7%
Regus Tunisie Sarl	Tunisia	Ordinary 99%	Ordinary 99%
Berges Du Lac Business Center	Tunisia	Ordinary 90%	Ordinary 90%
Rgs Ismerkezi Isletmeciligi	Turkey	Ordinary 95.03%	Ordinary 95.03%
Rgs Yonetim Ve Danismanlik St	Turkey	Ordinary 99%	Ordinary 99%
Levent Is Merkezi Isletmecil.	Turkey	Ordinary 99%	Ordinary 99%
Numara 1 Ofis Yönetimi	Turkey	Ordinary 99%	Ordinary 99%
Numara 2 Ofis Yönetimi	Turkey	Ordinary 99%	Ordinary 99%
Numara 3 Ofis Yönetimi Ve Dani	Turkey	Ordinary 99%	Ordinary 99%
Rbc (Ukraine)	Ukraine	Ordinary 100%	Ordinary 100%
Regus Podil Llc	Ukraine	Ordinary 99%	Ordinary 99%
North Podil	Ukraine	Ordinary 99%	Ordinary 99%
South Podil	Ukraine	Ordinary 99%	Ordinary 99%
West Podil	Ukraine	Ordinary 99%	Ordinary 99%
Rgs Bus. Centre Trading Fzco	United Arab Emirates	Ordinary 83.33%	Ordinary 83.33%
Regus Fzco	United Arab Emirates	Ordinary 80%	Ordinary 80%
Regus Corporation Llc	United States	Ordinary 100%	Ordinary 100%
Rbc Venezuela Ca	Venezuela	Ordinary 95%	Ordinary 95%
Regus Center (Vietnam) Limited	Vietnam	Ordinary 100%	Ordinary 100%

(a) Under the terms of the Articles of Association, Regus effectively controls this entity

## Notes (continued)

### 7 Fixed asset investments (continued)

The principal activities of all of the above are either the provision of serviced offices and related services, management companies related to the provision of serviced offices and related services or holding companies.

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

	2018 £000	2017 £000
Other debtors	151	145
Amount owed from group undertakings	350,826	20,561
	<u>350,977</u>	<u>20,706</u>

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

	2018 £000	2017 £000
Other payables	136	68
Amount owed to parent and group undertakings	31,502	79,584
	<u>31,638</u>	<u>79,652</u>

### 10 Share capital

	2018		2017
	Number	Nominal value £000	Number
<i>Called up and fully paid up</i>			
Ordinary 5p shares	8,871,986,546	443,599	948,219,822
			47,411

During the year the company issued 7,923,766,724 ordinary shares for consideration of £396,188,336.

### 11 Contingent Liabilities

The company acts as guarantor for five leases for two other companies within the group. The maximum liability for which the company would be liable in the next 12 months is £1,453,000 should the companies be unable to discharge their liabilities.

No provision has been made in these financial statements as the company's management do not consider that there is any likelihood of a liability arising through the failure of related parties to discharge their liabilities in relation to these leases.

### 12 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 IWG Group Holdings Sarl (previously known as Umbrella Holdings Sarl), a company incorporated in Luxembourg.

The largest group in which the results of the Company are consolidated is that headed by IWG plc, a company incorporated in Jersey. The smallest group in which they are consolidated is that headed by IWG Global Investments Sarl incorporated, registered and domiciled in Luxembourg. The consolidated accounts of IWG plc are available to the public and may be obtained from the website [www.iwgplc.com](http://www.iwgplc.com).



### 13 Events after the reporting period

On 31 May 2019, the Group completed the sale of its Japanese operations to TKP Corporation for a consideration of £301.7m. On 30 September 2019, the Group completed the sale its Taiwanese operations to TKP Corporation for a consideration of £22.7m. The operations under franchise in Japan and Taiwan will continue to be an important strategic component of the overall IWG Plc, Group network.

This transaction forms part of the larger change in strategy of the Group towards adopting a franchising model.

### 14 Accounting estimates and judgements

#### *Key sources of estimation uncertainty*

Impairment of investments- Management have made an assessment of the net asset value and, where applicable, the forecast future cash flows of certain subsidiaries of the Company to assess if an impairment has occurred.