BRINK SERVICED OFFICES APS

Lyngbyvej 20, 3.
2100 København Ø

Annual report for 2018

Adopted at the annual general meeting on
6 May 2019

chairman

CVR-nr. 15 30 00 78

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The executive board has today discussed and approved the annual report of Brink Serviced Offices ApS for the financial year 1 January - 31 December 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 6 May 2019

Executive board

Christoffel Alfonsus Maria Mul
Director

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Brink Serviced Offices ApS

Qualified Opinion

We have audited the financial statements of Brink Serviced Offices ApS for the financial year 1 January - 31 December 2018, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, except for the effects of the matter(s) described in the “Basis for Qualified Opinion” paragraph, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for Qualified Opinion

We found that the company’s bookkeeping and other fundamental accounting policies used for the annual accounts were incomplete in the financial years 2015 and 2016. Subsequently, we have not in any other way been able to obtain sufficient and appropriate audit evidence about the company's comparative figures (profit and loss 2017).

Since the values at the beginning of 2017 in the balance sheet are included in the determination of the result of net financials 2017, we have not been able to obtain sufficient and appropriate audit evidence, whether any adjustments might have been considered necessary in relation to the profit and loss account for 2017.

Our opinion on the current annual accounts has due to the possible impact of the qualification above been modified in relation to the comparability of the current period's figures and the comparative figures of 2017.

Reference is made for Management’s review for further details.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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 qualified opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for 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 in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

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 and the additional requirements applicable in Denmark 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 6 May 2019

CHRISTENSEN KJÆRULFF
Statsautoriseret Revisionsaktieselskab
CVR no. 15 91 56 41

Sven-Erik Vejlby
State Authorized Public Accountant
MNE no. mne25075

COMPANY DETAILS

The company	Brink Serviced Offices ApS Lyngbyvej 20, 3. 2100 København Ø	
	CVR no.:	15 30 00 78
	Reporting period: Incorporated:	1 January - 31 December 2018 15. July 1991
	Domicile:	Copenhagen
Executive board	Christoffel Alfonsus Maria Mul	
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Store Kongensgade 68 1264 København K	

MANAGEMENT'S REVIEW

Business activities
The company operates as other related holding.

Business review
The company's income statement for the year ended 31 December shows a profit of DKK 123.358, and the balance sheet at 31 December 2018 shows equity of DKK 5.135.744.

The management acknowledges the auditors' basis for disclaimer of opinion related to the incomplete bookkeeping in the financial years 2015/2016 and its impact to 2017 values. The position of the management is that the issues for 2015/16 were mainly caused by insufficient and incomplete records from 2015 acquisition. Management put in place appropriate controls in 2017 in order to correct the accounting records and ensure that 2017 closing balances are materially free of error. The management is confident that the project has been successfully completed and 2018 accounts should not be further distorted with the past issues.

Going concern:
It is the current intention of IWG Group to provide the Company with sufficient financial funds in order to enable the Company to fulfil at any time its payment obligations, but no written commitments has been given.

ACCOUNTING POLICIES

The annual report of Brink Serviced Offices ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2018 is presented in DKK

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Other operating expenses
Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and property, plant and equipment.

Other external expenses
Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial income and expenses
Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Profit/loss from investments in subsidiaries and associates
The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after full elimination of intra-group profits/losses.

Tax on profit/loss for the year
The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Investments in subsidiaries and associates
Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Receivables
Receivables are measured at amortised cost.

Income tax and deferred tax
Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities
Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2018 DKK	2017 DKK
Gross profit		**-5.003**	**-158.827**
Income from investments in subsidiaries		125.000	-1.250.000
Financial income	1	3.267	4.484
Financial costs		-19	-22.176
Profit/loss before tax		**123.245**	**-1.426.519**
Tax on profit/loss for the year	2	113	111.388
Profit/loss for the year		**123.358**	**-1.315.131**

Recommended appropriation of profit/loss

Retained earnings	123.358	-1.315.131
	123.358	**-1.315.131**

BALANCE SHEET 31 DECEMBER

	Note	2018	2017
		DKK	DKK
ASSETS			
Investments in subsidiaries	3	877.500	752.500
Fixed asset investments		**877.500**	**752.500**
Total non-current assets		**877.500**	**752.500**
Trade receivables		0	2
Receivables from group enterprises		4.393.546	4.588.454
Other receivables		5.553	3.767
Corporation tax		113	0
Receivables		**4.399.212**	**4.592.223**
Total current assets		**4.399.212**	**4.592.223**
Total assets		**5.276.712**	**5.344.723**

BALANCE SHEET 31 DECEMBER

	Note	2018	2017
		DKK	DKK
EQUITY AND LIABILITIES			
Share capital		500.000	500.000
Retained earnings		4.635.744	4.512.386
Equity		**5.135.744**	**5.012.386**
Trade payables		102.193	1
Corporation tax		0	259.143
Other payables		38.775	73.193
Total current liabilities		**140.968**	**332.337**
Total liabilities		**140.968**	**332.337**
Total equity and liabilities		**5.276.712**	**5.344.723**
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STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2018	500.000	4.512.386	5.012.386
Net profit/loss for the year	0	123.358	123.358
Equity at 31 December 2018	500.000	4.635.744	5.135.744

NOTES

		2018	2017
		DKK	DKK
1	**FINANCIAL INCOME**		
	Interest received from subsidiaries	3.267	4.484
		3.267	4.484

2	**TAX ON PROFIT/LOSS FOR THE YEAR**		
	Current tax for the year	-113	259.143
	Deferred tax for the year	0	-370.531
		-113	-111.388

3	**INVESTMENTS IN SUBSIDIARIES**		
	Cost at 1 January 2018	1.502.500	1.502.500
	Cost at 31 December 2018	1.502.500	1.502.500
	Revaluations at 1 January 2018	-750.000	500.000
	Net profit/loss for the year	125.000	-1.250.000
	Revaluations at 31 December 2018	-625.000	-750.000
	Carrying amount at 31 December 2018	877.500	752.500

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Business Center Nord ApS	Copenhagen	100%	2.961.843	207.422
Business Center City ApS	Copenhagen	100%	176.005	842.724
Business Center Hørsholm af 2005 ApS	Hørsholm	100%	3.597	11.670
Business Center Havnegade ApS	Copenhagen	51%	9.466.404	2.380.694
Business Center Winghouse ApS	Copenhagen	51%	6.321.186	1.049.272
Business Center Lyngby Hovedgade ApS	Kgs. Lyngby	100%	-362.632	435.257
Business Center Strandvejen ApS	Hellerup	100%	4.989.423	110.140

NOTES

4 CONTINGENCIES, ETC.

Contingent liabilities
Regus Management ApS being the administration company, the company is subject to the Danish scheme of joint taxation and, as from the financial year 2015, unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

As from 2015, the company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax interest, royalties and dividends.

The company is jointly tax registered with other Regus companies and is therefore jointly liable for VAT settlement.

Other contingent liabilities
The company have given a guaranty to the landlord of Strandvejen Business Center ApS of DKK 2 mill.

5 RELATED PARTIES AND OWNERSHIP STRUCTURE

Controlling interest

IWG Plc, 22 Grenville Street, st. Heller, JE4 8PX Jersey.

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Sven-Erik Vejlby
Revisor
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IP: 212.98.xxx.xxx
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