

Brink Serviced Offices ApS

Lyngbyvej 20, 3., 2100 København Ø

CVR no. 15 30 00 78

Annual report 2015

Approved at the annual general meeting of shareholders on 24 June 2016

Chairman:



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Dominic Stephen Harrison

Contents

Statement by the Executive Board	2
Independent auditors' report	3
Management's review	5
Company details	5
Operating review	6
Financial statements for the period 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Brink Serviced Offices ApS for the financial year 1 January - 31 December 2015.

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 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the annual report be approved at the annual general meeting.

Copenhagen, 24 June 2016
Executive Board:



Dominic Stephen Harrison

The independent auditors' report

To the shareholders of Brink Serviced Offices ApS

Report on the annual accounts

We have been appointed auditors for Brink Serviced Offices ApS for the financial year 1 January - 31 December 2015, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control as it determines necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these accounts based on an audit performed in accordance with International standards on auditing and additional requirements under Danish audit regulation. Due to the matter described in the paragraph on the basis for qualified opinion, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for our opinion.

Qualified opinion

Basis for disclaimer of opinion

The company's bookkeeping and other fundamental principles used for the annual accounts are incomplete and include several misstatements related to fixed assets, receivables and payables. At the time of submission of our audit opinion on the annual accounts, management was unable to rectify the incomplete matters and to make corrections of the misstatements. We have not otherwise been able to confirm or disconfirm the receivables, DKK 4,327,713, fixed assets, DKK 4,236,370, and payables, DKK 2,686,225, recognized in the annual accounts. On this basis, we have not been able to obtain sufficient and appropriate evidence, whether any adjustments might have been considered necessary in relation to recorded or non-recorded fixed assets, receivables and payables as well as the profit and loss account and the statement of equity.

Disclaimer of opinion

Due to the significance of the matter described in the paragraph "Basis for disclaimer of opinion", we have not been able to obtain sufficient appropriate audit evidence to provide a basis for our opinion. Consequently, we do not express any opinion on the annual accounts.

In our opinion, the annual general meeting should not approve the annual report.

Report on other legal and regulatory requirements

Emphasis of matter paragraph on other matters


The company has not complied with Danish Bookkeeping Act that financial records must be kept in Denmark. In addition, the company has no access to the books' specifications for the period 1 January 2015 - 31 March 2015. The company's management may incur liability for breach of the Danish Bookkeeping Act.

The Independent auditors' report

Statement on the management's review

As it appears from the disclaimer of opinion, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion. We have not read the management's review to verify whether the information provided in the management's review is consistent with the annual accounts. Accordingly, we do not express an opinion on the management's review

Copenhagen, 24 June 2016
CHRISTENSEN KJÆRULF
statsautoriseret revisionsaktieselskab
CVR No. 15 91 56 41



Henrik W. Jørgensen
State Authorised Public Accountant

Management's review

Company details

Name	Brink Serviced Offices ApS
Address, Postal code, City	Lyngbyvej 20, 3., 2100 København Ø
CVR No.	15 30 00 78
Established	15 July 1991
Registered office	København
Financial year	1 January - 31 December
Executive Board	Dominic Stephen Harrison
Auditors	Christensen Kjarulf statsautoriseret revisionsaktieselskab Store Kongensgade 68, 1264 Copenhagen K

Management's review

Operating review

The Company's business review

The company operates as provider of office facilities and other related activities.

Financial review

The income statement for 2015 shows a loss of DKK 5,758,545 against a profit of DKK 3,341,202 last year, and the balance sheet at 31 December 2015 shows equity of DKK 5,877,858.

Post balance sheet events

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Outlook

In 2016, the activity level and earnings is expected to be the same compared with 2015.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2015	2014
	Gross profit/loss	-3,961,359	5,324,700
3	Staff costs	-1,796,493	-4,403,263
	Amortisation/depreciation and impairment of Intangible assets and property, plant and equipment	-3,205	-190,992
	Other operating expenses	0	-171,700
	Operating profit/loss	-5,761,057	558,745
	Income from Investments in group entities	0	2,898,896
4	Financial income	2,512	20,067
5	Financial expenses	0	-8,077
	Profit/loss before tax	-5,758,545	3,469,631
6	Tax for the year	0	-128,429
	Profit/loss for the year	<u>-5,758,545</u>	<u>3,341,202</u>
	Proposed profit appropriation/distribution of loss	-4,266,262	0
	Net revaluation reserve according to the equity method	-1,492,283	3,341,202
	Retained earnings/accumulated loss	<u>-5,758,545</u>	<u>3,341,202</u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2015</u>	<u>2014</u>
	ASSETS		
	Non-current assets		
7	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	2,233,870	2,237,075
		<u>2,233,870</u>	<u>2,237,075</u>
8	Investments		
	Investments in group entities, net asset value	2,002,500	7,181,398
		<u>2,002,500</u>	<u>7,181,398</u>
	Total non-current assets	<u>4,236,370</u>	<u>9,418,473</u>
	Current assets		
	Receivables		
	Trade receivables	15,015	0
	Receivables from group entities	4,253,771	500,000
	Other receivables	23,839	0
		<u>4,292,625</u>	<u>500,000</u>
	Cash	<u>35,088</u>	<u>3,579,305</u>
	Total current assets	<u>4,327,713</u>	<u>4,079,305</u>
	TOTAL ASSETS	<u>8,564,083</u>	<u>13,497,778</u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2015</u>	<u>2014</u>
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	500,000	500,000
	Net revaluation reserve according to the equity method	59,580	4,325,842
	Retained earnings	<u>5,318,278</u>	<u>6,810,561</u>
	Total equity	<u>5,877,858</u>	<u>11,636,403</u>
	Provisions		
	Deferred tax	<u>360,319</u>	<u>314,922</u>
	Total provisions	<u>360,319</u>	<u>314,922</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	23,334	70,309
	Payables to group entities	1,830,864	0
	Income taxes payable	122,324	177,501
	Other payables	<u>349,384</u>	<u>1,298,643</u>
		<u>2,325,906</u>	<u>1,546,453</u>
	Total liabilities other than provisions	<u>2,325,906</u>	<u>1,546,453</u>
	TOTAL EQUITY AND LIABILITIES	<u>8,564,083</u>	<u>13,497,778</u>

- 1 Accounting policies
- 2 Material uncertainties regarding going concern
- 10 Contractual obligations and contingencies, etc.
- 11 Related parties

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 January 2015	500,000	4,325,842	6,810,561	11,636,403
Profit/loss for the year	0	-4,266,262	-1,492,283	-5,758,545
Equity at 31 December 2015	500,000	59,580	5,318,278	5,877,858

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Brink Serviced Offices ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

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

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements for Brink Serviced Offices ApS and its group entities are part of the consolidated financial statements for Regus Plc, Luxembourg, reg. nr. R.C.S. B 141 159.

Reporting currency

The financial statements are presented in Danish kroner.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit/loss'.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of fixed assets.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Leasehold improvements	5 years
Other fixtures and fittings, tools and equipment	3-5 years

Income from investments in group entities

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Gains or losses are made up as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating costs.

Investments in group entities

On initial recognition, investments in subsidiaries and associates are measured at cost and subsequently at the proportionate share of the enterprises' net asset values calculated in accordance with the parent company's accounting policies less or plus any residual value of positive or negative goodwill determined in accordance with the acquisition method. Subsidiaries and associates with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the enterprise's deficit. Net revaluations of investments in subsidiaries and associates are transferred to the net revaluation reserve according to the equity method in so far as the carrying amount exceeds the acquisition cost.

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised up to the date of disposal.

Acquisitions of new subsidiaries and associates are accounted for using the purchase method, according to which the assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of revaluations made is taken into account.

Impairment of fixed assets

Intangible assets, property, plant and equipment and investments in subsidiaries and associates are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

2 Material uncertainties regarding going concern

As regards uncertainties concerning the enterprises ability to continue as a going concern, management has assumed, that Regus Group will continue to provide the necessary liquidity available to the Company for the current year.

The Company has not received commitments from the Regus Group.

DKK	2015	2014
3 Staff costs		
Wages/salaries	1,676,059	4,624,491
Pensions	32,006	88,425
Other social security costs	14,599	47,046
Other staff costs	73,829	-356,699
	<u>1,796,493</u>	<u>4,403,263</u>
4 Financial income		
Interest receivable, group entities	2,359	20,067
Other financial income	153	0
	<u>2,512</u>	<u>20,067</u>
5 Financial expenses		
Other financial expenses	0	8,077
	<u>0</u>	<u>8,077</u>

Financial statements for the period 1 January - 31 December

Notes to the financial statements

6 Tax for the year		
Estimated tax charge for the year	0	355,873
Deferred tax adjustments in the year	0	-227,444
	<u>0</u>	<u>128,429</u>

7 Property, plant and equipment

DKK		Other fixtures and fittings, tools and equipment
Cost at 1 January 2015		<u>3,444,271</u>
Cost at 31 December 2015		<u>3,444,271</u>
Impairment losses and depreciation at 1 January 2015		1,207,196
Amortisation/depreciation in the year		<u>3,205</u>
Impairment losses and depreciation at 31 December 2015		<u>1,210,401</u>
Carrying amount at 31 December 2015		<u>2,233,870</u>

8 Investments

DKK		Investments in group entities, net asset value
Cost at 1 January 2015		<u>1,942,920</u>
Cost at 31 December 2015		<u>1,942,920</u>
Value adjustments at 1 January 2015		5,238,478
Other adjustments, investments		<u>-5,178,898</u>
Value adjustments at 31 December 2015		<u>59,580</u>
Carrying amount at 31 December 2015		<u>2,002,500</u>

DKK	Legal form	Domicile	Interest	Equity	Profit/loss
Subsidiaries					
Business Center Nord ApS	ApS	Copenhagen	100.00 %	1,798,641	587,869
Business Center City ApS	ApS	Copenhagen	100.00 %	303,579	-307,207
Business Center Hørsholm af 2005 ApS	ApS	Hørsholm	100.00 %	175,822	-6,652
Business Center Havnegade ApS	ApS	Copenhagen	51.00 %	4,644,088	778,406
Business Center Winghouse ApS	ApS	Copenhagen	51.00 %	3,428,101	1,289,323
Business Center Lyngby Hovedgade ApS	ApS	Kgs. Lyngby	100.00 %	487,322	-159,294
Business Center Strandvejen ApS	ApS	Hellerup	100.00 %	2,446,836	1,520,077

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK	2015	2014
9 Share capital		
The share capital consists of the following:		
500 shares of DKK 1,000.00 each	500,000	500,000
	500,000	500,000

Analysis of changes in the share capital over the past 5 years:

DKK	2015	2014	2013	2012	2011
Opening balance	500,000	500,000	500,000	125,000	125,000
Capital increase	0	0	0	375,000	0
	500,000	500,000	500,000	500,000	125,000

10 Contractual obligations and 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 on interest, royalties and dividends.

Other contingent liabilities

The company have given guaranties to Nordea regarding Business Center Nord ApS and Business Center Hørsholm. Value at 31/12 2015 is: DKK 614.

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

Financial statements for the period 1 January - 31 December

Notes to the financial statements

Other financial obligations

11 Related parties

Brink Serviced Offices ApS' related parties comprise the following:

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent's consolidated financial statements</u>
Regus Plc	26 Boulevard Royal, 2449 Luxembourg	http://www.regus.com/investors/annual-reports.aspx

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Regus Group Limited	268 Bath Road, Slough, Berkshire SL1 4DX, UK