

Regus Tuborg Harbour ApS

Larsbjørnsstræde 3, 1454 København

CVR no. 28 30 94 22

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	4
Company details	4
Operating review	5
Financial statements for the period 1 January - 31 December	6
Income statement	6
Balance sheet	7
Statement of changes in equity	9
Notes to the financial statements	10

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Regus Tuborg Harbour 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' reports

To the shareholders of Regus Tuborg Harbour ApS

Report on the annual accounts

We have been appointed auditors for Regus Tuborg Harbour 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 and for such internal control as the management determines is necessary to enable the preparation of 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 annual accounts have been prepared assuming continued operation. As shown in the management's review and in Note 2, it is material for the company in order to continue its activities that the Regus Group regularly provides the necessary liquidity, which management expects. We have not obtained sufficient and appropriate audit evidence of this commitment.

Disclaimer of opinion

Due to the significance of the matter described in the paragraph on the 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.

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. The company's management may incur liability for breach of the Danish Bookkeeping Act.

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
Address, Postal code, City

Regus Tuborg Harbour ApS
Larsbjørnsstræde 3, 1454 København

CVR No.
Established
Registered office
Financial year

28 30 94 22
28 December 2004
København
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 a provider of office facilities.

Since Mid March 2012, the company has operated as a provider of office facilities through the parent company Regus Management ApS, which company operates as a manager for the Regus activities in Denmark.

Unusual matters having affected the financial statements

Going concern

Pursuant to the capital loss provision of section 119 of the Danish Companies Act,, the company has lost more than 50% of its share capital at year-end.

The annual report has been presented under the assumption of continued operations of the company.

Continued operations require further investments.

Expectations are that Regus Group will continue to provide the required capital available for the company for the current year.

The Executive Board expects, through strategic measures, that the capital can be restored over a number of years.

Reference is made to note 2 for more details.

Financial review

The income statement for 2015 shows a profit of DKK 233,791 against a profit of DKK 144,360 last year, and the balance sheet at 31 December 2015 shows a negative equity of DKK 11,607,411.

The net loss is not considered satisfactory.

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	840,981	834,849
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-216,546	-209,410
	Operating profit	624,435	625,439
3	Financial expenses	-390,644	-481,079
	Profit for the year	233,791	144,360
	Proposed profit appropriation		
	Retained earnings	233,791	144,360

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2015</u>	<u>2014</u>
	ASSETS		
	Non-current assets		
4	Property, plant and equipment	890,762	920,767
	Other fixtures and fittings, tools and equipment	537,454	530,801
	Leasehold improvements	<u>1,428,216</u>	<u>1,451,568</u>
	Investments		
	Other receivables	51,423	0
		<u>51,423</u>	<u>0</u>
	Total non-current assets	<u>1,479,639</u>	<u>1,451,568</u>
	Current assets		
	Receivables		
	Trade receivables	37,937	0
	Receivables from group entities	4,473,702	91,161
	Other receivables	4,624	0
	Prepayments	94,290	127,676
		<u>4,610,553</u>	<u>218,837</u>
	Cash	8,128	206,274
	Total current assets	<u>4,618,681</u>	<u>425,111</u>
	TOTAL ASSETS	<u><u>6,098,320</u></u>	<u><u>1,876,679</u></u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2015	2014
	EQUITY AND LIABILITIES		
	Equity		
5	Share capital	125,000	125,000
	Retained earnings	-11,732,411	-11,966,202
	Total equity	-11,607,411	-11,841,202
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Prepayments received from customers	0	452
	Payables to group entities	16,180,050	11,348,964
	Other payables	1,525,681	2,368,465
		17,705,731	13,717,881
	Total liabilities other than provisions	17,705,731	13,717,881
	TOTAL EQUITY AND LIABILITIES	6,098,320	1,876,679

- 1 Accounting policies
- 2 Material uncertainties regarding going concern
- 6 Collateral
- 7 Contractual obligations and contingencies, etc.
- 8 Related parties

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2015	125,000	-11,966,202	-11,841,202
Profit/loss for the year	0	233,791	233,791
Equity at 31 December 2015	<u>125,000</u>	<u>-11,732,411</u>	<u>-11,607,411</u>

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Regus Tuborg Harbour 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.

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

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'.

Other operating income and operating expenses

Other operating income and 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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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	Lease period years
Other fixtures and fittings, tools and equipment	3-10 years

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest 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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

Other securities and Investments

Other securities and investments are measured at fair value. The fair value is made up at the market value at the balance sheet date if the securities are listed and at a value made up using generally recognised valuation principles if the securities are unlisted.

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

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.

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.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

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.

The Executive Board expects, through strategic measures, that the capital can be restored over a number of years.

DKK	2015	2014
3 Financial expenses		
Interest expenses, group entities	381,835	478,905
Other financial expenses	8,809	2,174
	<u>390,644</u>	<u>481,079</u>

4 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2015	2,068,902	627,846	2,696,748
Additions in the year	121,445	71,748	193,193
Cost at 31 December 2015	<u>2,190,347</u>	<u>699,594</u>	<u>2,889,941</u>
Impairment losses and depreciation at 1 January 2015	1,148,135	97,045	1,245,180
Amortisation/depreciation in the year	151,450	65,095	216,545
Impairment losses and depreciation at 31 December 2015	<u>1,299,585</u>	<u>162,140</u>	<u>1,461,725</u>
Carrying amount at 31 December 2015	<u>890,762</u>	<u>537,454</u>	<u>1,428,216</u>

5 Share capital

The share capital consists of the following:

1,250 shares of DKK 100.00 each	125,000	125,000
	<u>125,000</u>	<u>125,000</u>

The Company's share capital has remained DKK 125,000 over the past 5 years.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

6 Collateral

The company is jointly tax registered with 21 other Regus companies and is therefore jointly liable for VAT settlement.

7 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 2013, unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

As from 1 July 2012, 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.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

Other financial obligations

Other rent and lease liabilities:

DKK	2015	2014
Rent and lease liabilities	<u>27,425,689</u>	<u>31,090,782</u>

As part of the primary activities the Company has entered into operational leasing contracts. The leasing contracts total outstanding leasing payment is DKK 27 mill pr. 31 December 2015.

8 Related parties

Regus Tuborg Harbour ApS' related parties comprise the following:

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Regus Plc	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:

Name	Domicile
Regus Denmark Holding ApS	Larsbjørnsstræde 3, 1454 København K