

FIRSTCLIENTS GL. KONGEVEJ APS  
Tuborg Boulevard 12, 3. sal  
2900 Hellerup

Annual report for 2019

Adopted at the annual general meeting on  
9 July 2020

DocuSigned by:  
  
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Lynsey Ann Blair  
chairman

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## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The executive board has today discussed and approved the annual report of FirstClients GI. Kongevej ApS for the financial year 1 January - 31 December 2019.

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 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.


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

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

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

Copenhagen, 9 July 2020

### Executive board

DocuSigned by:  
  
Lynsey Ann Blair  
Director

## COMPANY DETAILS

The company

FirstClients Gl. Kongevej ApS  
Tuborg Boulevard 12, 3. sal  
2900 Hellerup

CVR no.: 30 54 38 31

Reporting period: 1 January - 31 December 2019

Incorporated: 9. May 2008

Domicile: Gentofte

Executive board

Lynsey Ann Blair

## MANAGEMENT'S REVIEW

### **Business review**

The company operates as a provider of office facilities through Regus Management ApS, which company operates as a manager of the Regus activities in Denmark

### **Financial review**

The company's income statement for the year ended 31 December 2019 shows a loss of DKK 3.869.649, and the balance sheet at 31 December 2019 shows negative equity of DKK 8.862.555.

### **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. Reference is made to note 1 for more details.

## ACCOUNTING POLICIES

The annual report of FirstClients Gl. Kongevej ApS for 2019 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 2019 is presented in DKK.

### **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 installments 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, and consumables and other external expenses.

#### **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.

#### **Other external expenses**

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

## ACCOUNTING POLICIES

### 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, as well as allowance and surcharges under the advance payment of tax scheme, etc.

### Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly 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 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

#### Tangible assets

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment.	3-10 years
Leasehold improvements	10 years or lease period years.

Assets costing less than DKK 13.800 are expensed in the year of acquisition.

#### Tilgodehavender

Receivables are measured at amortised cost.

#### Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### Equity

#### Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

## **ACCOUNTING POLICIES**

### **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	2019 DKK	2018 DKK
<b>Gross profit</b>		<b>-3.765.262</b>	<b>-1.303.334</b>
Depreciation		-83.350	-58.530
<b>Profit/loss before net financials</b>		<b>-3.848.612</b>	<b>-1.361.864</b>
Financial income		0	83.558
Financial costs	2	-346.733	-177.545
<b>Profit/loss before tax</b>		<b>-4.195.345</b>	<b>-1.455.851</b>
Tax on profit/loss for the year	3	325.696	79.475
<b>Profit/loss for the year</b>		<b>-3.869.649</b>	<b>-1.376.376</b>
 <b>Recommended appropriation of profit/loss</b>			
Retained earnings		-3.869.649	-1.376.376
		<b>-3.869.649</b>	<b>-1.376.376</b>

**BALANCE SHEET 31 DECEMBER**

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>ASSETS</b>			
Other fixtures and fittings, tools and equipment		241.826	199.878
Leasehold improvements		<u>565.205</u>	<u>43.559</u>
<b>Tangible assets</b>	4	<u><b>807.031</b></u>	<u><b>243.437</b></u>
<b>Total non-current assets</b>		<u><b>807.031</b></u>	<u><b>243.437</b></u>
Trade receivables		510	3.103
Receivables from group enterprises		34.464	249.261
Other receivables		293.142	266.791
Corporation tax		325.696	79.475
Prepayments		<u>1.105.537</u>	<u>1.057.953</u>
<b>Receivables</b>		<u><b>1.759.349</b></u>	<u><b>1.656.583</b></u>
<b>Total current assets</b>		<u><b>1.759.349</b></u>	<u><b>1.656.583</b></u>
<b>Total assets</b>		<u><b>2.566.380</b></u>	<u><b>1.900.020</b></u>

**BALANCE SHEET 31 DECEMBER**

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>EQUITY AND LIABILITIES</b>			
Share capital		125.000	125.000
Retained earnings		-8.987.555	-5.117.906
<b>Equity</b>		<b>-8.862.555</b>	<b>-4.992.906</b>
Trade payables		1.417.536	1.368.527
Payables to group enterprises		10.008.348	5.521.343
Other payables		3.051	3.056
<b>Total current liabilities</b>		<b>11.428.935</b>	<b>6.892.926</b>
<b>Total liabilities</b>		<b>11.428.935</b>	<b>6.892.926</b>
<b>Total equity and liabilities</b>		<b>2.566.380</b>	<b>1.900.020</b>
Uncertainty about the continued operation (going concern)	1		
Contingent liabilities	5		
Related parties and ownership structure	6		

**STATEMENT OF CHANGES IN EQUITY**

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2019	125.000	-5.117.906	-4.992.906
Net profit/loss for the year	<u>0</u>	<u>-3.869.649</u>	<u>-3.869.649</u>
Equity at 31 December 2019	<u>125.000</u>	<u>-8.987.555</u>	<u>-8.862.555</u>

## NOTES

### 1 UNCERTAINTY ABOUT THE CONTINUED OPERATION (GOING CONCERN)

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

The company has not received commitments from the IWG Group.

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

	2019 DKK	2018 DKK
<b>2 FINANCIAL COSTS</b>		
Financial expenses, group entities	257.038	174.819
Other financial costs	5.930	2.726
Exchange adjustments costs	83.765	0
	346.733	177.545

### 3 TAX ON PROFIT/LOSS FOR THE YEAR

Current tax for the year	-325.696	-79.475
	-325.696	-79.475

### 4 TANGIBLE ASSETS

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2019	2.705.128	124.004
Additions for the year	78.949	567.996
Cost at 31 December 2019	2.784.077	692.000
Impairment losses and depreciation at 1 January 2019	2.505.250	80.445
Depreciation for the year	37.001	46.350
Impairment losses and depreciation at 31 December 2019	2.542.251	126.795
Carrying amount at 31 December 2019	241.826	565.205

## NOTES

### 5 CONTINGENT LIABILITIES

#### **Contingent commitments**

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 2012, the company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax interest, royalties and dividends.

Other rent and lease liabilities as of December 31st 2019: 4,325 tDKK (2018: 8,480 tDKK).

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

The Danish Tax Agency (Skattestyrelsen) finalized in 2019 a transfer pricing tax audit of Regus Management ApS and the companies of the Danish scheme of joint taxation in 2012-2014. Regus Management ApS has appealed the result of the transfer pricing tax audit to the Danish Tax Agency (Skattestyrelsen). The result of the appeal is expected available in 2021 at the earliest.

Tax, interest, fines related to the transfer pricing tax audit have not been recognized in the financial statements, since it is the group's and its advisors' expectations that the result of the appeal case will turn out to be favourable towards Regus Management ApS.

### 6 RELATED PARTIES AND OWNERSHIP STRUCTURE

#### **Other related parties**

FirstClients Gl. Kongevej ApS' related parties comprise the following:  
IWG Plc, 22 Grenville Street, st. Heller, JE4 8PX Jersey.