

BUSINESS CENTER LYNGBY HOVEDGADE APS
Lyngby Hovedgade 10
2800 Kgs. Lyngby

Annual report for 2017

Adopted at the annual general meeting on
14 May 2018

DocuSigned by:

Remo Gross

12F7726EFA55427...
chairman

CVR-nr. 34 71 85 71

CONTENTS

	Page
Statements	
Statement by management on the annual report	3
Independent auditor's report	4
Management's review	
Company details	6
Management's review	7
Financial statements	
Accounting policies	8
Income statement 1 January - 31 December	11
Balance sheet 31 December	12
Notes to the annual report	14

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The executive board has today discussed and approved the annual report of Business Center Lyngby Hovedgade ApS for the financial year 1 January - 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017.

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

Management recommends to the company in general meeting that the financial statements for 2018 should not be audited. Management considers the criteria for omission of audit to be met.

Management recommends that the annual report should be approved at the annual general meeting.

Copenhagen, 14 May 2018

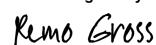
Executive board

DocuSigned by:

Patrick Bakker

Patrick Bakker
Director

DocuSigned by:

Remo Gross

Remo Gross
Director

The general meeting of shareholders have resolved that the financial statements for the coming financial year are not to be audited.

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Business Center Lyngby Hovedgade ApS

Auditors' Report on the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Business Center Lyngby Hovedgade ApS for the financial year 1 January - 31 December 2017, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

We do not express any audit opinion on the financial statements. Because of the significance of the matter described in the "Basis for Disclaimer of Opinion" paragraph, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an 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 1, 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.

The company's bookkeeping and other fundamental principles used for the annual accounts were incomplete in the financial years 2015 and 2016, and on this basis, the annual report for 2016 was presented without an audit opinion. Subsequently, we have not in any other way been able to obtain sufficient and appropriate audit evidence about the company's opening balance sheet and comparative figures.

Since the values at the beginning of the year in the balance sheet are included in the determination of the result of net financials, we have not been able to obtain sufficient and appropriate evidence, whether any adjustments might have been considered necessary in relation to the profit and loss account, and values at year end 2017 have no longer been effected by mistakes in 2015 and 2016. Reference is made to Management's review for further details.

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 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

We are responsible for conducting an audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark and for issuing an auditor's report. However, because of the matter described in the "Basis for Disclaimer of Opinion" paragraph, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the company, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Statement on management's review

As described in the "Basis-for-Disclaimer-of-Opinion" paragraph, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an opinion. Therefore we do not provide a statement on management's review.

Report on other legal and regulatory requirements

Opinion on Infringement of the Companies Act's rules on capital losses

Without having effected our opinion, we draw attention to the fact that the company has lost more than half of its share capital and is subject to raise the capital loss provisions of the company act. § 119

Reporting according to Danish Bookkeeping Act § 7, stk. 2

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.

Copenhagen, 14 May 2018

CHRISTENSEN KJÆRULFF
Statsautoriseret Revisionsaktieselskab
CVR no. 15 91 56 41

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

COMPANY DETAILS

The company Business Center Lyngby Hovedgade ApS
Lyngby Hovedgade 10
2800 Kgs. Lyngby

CVR no.: 34 71 85 71

Reporting period: 1 January - 31 December 2017
Incorporated: 9. October 2012

Domicile: Kgs. Lyngby

Executive board
Patrick Bakker, director
Remo Gross, director

Auditors Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
Store Kongensgade 68
1264 København K

MANAGEMENT'S REVIEW

Business activities

The company operates as a provider of office facilities.

Business review

The Company's income statement for the year ended 31 December shows a loss of DKK 1.028.781, and the balance sheet at 31 December 2017 shows negative equity of DKK 799.835.

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.

ACCOUNTING POLICIES

The annual report of Business Center Lyngby Hovedgade ApS for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities as well as selected provisions as regards larger entities.

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

The annual report for 2017 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 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

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.

ACCOUNTING POLICIES

Other external expenses

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

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.

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, ect.

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:

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

ACCOUNTING POLICIES

Receivables

Receivables are measured at amortised cost.

Receivables for which there is no objective indication of individual impairment are reviewed for 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 credit risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

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

Other liabilities, which include trade receivables, 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	2017 DKK	2016 DKK
Gross profit		-906.947	1.368.615
Staff costs	2	0	-1.058.789
Depreciation		-290.830	-331.140
Profit/loss before financial income and expenses		-1.197.777	-21.314
Financial income	3	1.583	163
Financial costs	4	-14.949	-12.220
Profit/loss before tax		-1.211.143	-33.371
Tax on profit/loss for the year	5	184.308	-225.005
Net profit/loss for the year		-1.026.835	-258.376
 Proposed distribution of profit			
Retained earnings		-1.026.835	-258.376
		-1.026.835	-258.376

BALANCE SHEET 31 DECEMBER

	Note	2017 DKK	2016 DKK
ASSETS			
Other fixtures and fittings, tools and equipment		122.148	368.650
Leasehold improvements		<u>252.434</u>	<u>285.219</u>
Tangible assets	6	374.582	653.869
Deposits		755.127	718.740
Fixed asset investments		755.127	718.740
Fixed assets total		1.129.709	1.372.609
Trade receivables		88.912	589.483
Receivables from subsidiaries		774.141	552.587
Other receivables		42.823	157.292
Corporation tax		123.824	173.850
Prepayments		<u>481.169</u>	0
Receivables		1.510.869	1.473.212
Cash at bank and in hand		0	26.948
Current assets total		1.510.869	1.500.160
Assets total		2.640.578	2.872.769

BALANCE SHEET 31 DECEMBER

	Note	2017 DKK	2016 DKK
LIABILITIES AND EQUITY			
Share capital		500.000	500.000
Retained earnings		<u>-1.297.889</u>	<u>-271.054</u>
Equity	7	<u>-797.889</u>	<u>228.946</u>
Provision for deferred tax		0	60.484
Other provisions		<u>0</u>	<u>116.366</u>
Provisions total		<u>0</u>	<u>176.850</u>
Deposits		<u>1.164.119</u>	<u>1.161.712</u>
Long-term debt		<u>1.164.119</u>	<u>1.161.712</u>
Prepayments received from customers		647.972	0
Trade payables		69.073	6.685
Payables to subsidiaries		497.210	64.922
Corporation tax		0	208.112
Other payables		216.326	395.589
Deferred income		<u>843.767</u>	<u>629.953</u>
Short-term debt		<u>2.274.348</u>	<u>1.305.261</u>
Debt total		<u>3.438.467</u>	<u>2.466.973</u>
Liabilities and equity total		<u>2.640.578</u>	<u>2.872.769</u>
Uncertainty about the continued operation (going concern)	1		
Contingent assets, liabilities and other financial obligations	8		
Charges and securities	9		
Related parties and ownership	10		

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 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.

	2017 DKK	2016 DKK
2 STAFF COSTS		
Wages and salaries	0	1.002.238
Pensions	0	56.551
	<hr/> <hr/>	<hr/> <hr/>
Average number of employees	0	2
	<hr/> <hr/>	<hr/> <hr/>
3 FINANCIAL INCOME		
Interest received from subsidiaries	0	163
Other financial income	1.583	0
	<hr/> <hr/>	<hr/> <hr/>
	1.583	163
	<hr/> <hr/>	<hr/> <hr/>
4 FINANCIAL COSTS		
Financial expenses, group entities	917	0
Other financial costs	14.032	11.778
Exchange loss	0	442
	<hr/> <hr/>	<hr/> <hr/>
	14.949	12.220
	<hr/> <hr/>	<hr/> <hr/>

NOTES

5 TAX ON PROFIT/LOSS FOR THE YEAR

	2017 DKK	2016 DKK
Current tax for the year	-123.824	34.262
Deferred tax for the year	-60.484	60.484
Adjustment of tax concerning previous years	0	381.067
Adjustment of deferred tax concerning previous years	0	-250.808
	<hr/> -184.308	<hr/> 225.005

6 TANGIBLE ASSETS

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2017	1.605.158	462.674
Additions for the year	0	11.542
Cost at 31 December 2017	<hr/> 1.605.158	<hr/> 474.216
Impairment losses and depreciation at 1 January 2017	1.236.508	177.455
Depreciation for the year	246.502	44.327
Impairment losses and depreciation at 31 December 2017	<hr/> 1.483.010	<hr/> 221.782
Carrying amount at 31 December 2017	<hr/> 122.148	<hr/> 252.434

NOTES

7 EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2017	500.000	-271.054	228.946
Net profit/loss for the year	0	-1.026.835	-1.026.835
Equity at 31 December 2017	500.000	-1.297.889	-797.889

There have been no changes in the share capital during the last 5 years.

8 CONTINGENT ASSETS, LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

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 2014, unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

As from 2014, 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. 2017: 6,244 tDKK 2016 9,388 tDKK

9 CHARGES AND SECURITIES

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

10 RELATED PARTIES AND OWNERSHIP

Other related parties

Business Center Lyngby Hovedgade ApS' related parties comprise the following:
IWG Plc, 22 Grenville Street, st. Heller, JE4 8PX Jersey.

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Sven-Erik Vejlby

Statsautoriseret revisor

På vegne af: CHRISTENSEN KJÆRULFF STATSAUTORISERET

REVISIONSAKTIESELSKAB

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