

EXPRESS CPHA 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 Express Cpha 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
AA5CD994A868413...
Director

COMPANY DETAILS

The company

Express Cpha ApS
Tuborg Boulevard 12, 3. sal
2900 Hellerup

CVR no.: 36 04 53 10

Reporting period: 1 January - 31 December 2019

Incorporated: 14. July 2014

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 1.598.932, and the balance sheet at 31 December 2019 shows negative equity of DKK 11.233.729.

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.

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 Express Cpha 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, 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.

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.

ACCOUNTING POLICIES

Other external expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

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 allowances 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

Items of plant and machinery and 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.

Receivables

Receivables are measured at amortised cost.

Prepayments

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

ACCOUNTING POLICIES

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.

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.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Gross profit		713.881	-556.047
Depreciation		<u>-1.811.303</u>	<u>-1.870.846</u>
Profit/loss before net financials		-1.097.422	-2.426.893
Financial income		0	2.188
Financial costs	2	<u>-501.510</u>	<u>-494.507</u>
Profit/loss before tax		-1.598.932	-2.919.212
Tax on profit/loss for the year	3	<u>0</u>	<u>55.609</u>
Profit/loss for the year		<u>-1.598.932</u>	<u>-2.863.603</u>
 Recommended appropriation of profit/loss			
Retained earnings		<u>-1.598.932</u>	<u>-2.863.603</u>
		<u>-1.598.932</u>	<u>-2.863.603</u>

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
ASSETS			
Other fixtures and fittings, tools and equipment		1.673.735	1.983.801
Leasehold improvements		<u>3.571.382</u>	<u>4.961.877</u>
Tangible assets	4	<u>5.245.117</u>	<u>6.945.678</u>
Total non-current assets		<u>5.245.117</u>	<u>6.945.678</u>
Receivables from group enterprises		2.055	19.882
Other receivables		1.268.259	34.664
Prepayments		<u>41.931</u>	<u>0</u>
Receivables		<u>1.312.245</u>	<u>54.546</u>
Total current assets		<u>1.312.245</u>	<u>54.546</u>
Total assets		<u>6.557.362</u>	<u>7.000.224</u>

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
EQUITY AND LIABILITIES			
Share capital		50.000	50.000
Retained earnings		-11.283.729	-9.684.798
Equity		-11.233.729	-9.634.798
Trade payables		97.154	0
Payables to group enterprises		16.158.244	14.539.610
Corporation tax		0	-55.609
Other payables		1.535.693	2.151.021
Total current liabilities		17.791.091	16.635.022
Total liabilities		17.791.091	16.635.022
Total equity and liabilities		6.557.362	7.000.224
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	50.000	-9.684.797	-9.634.797
Net profit/loss for the year	<u>0</u>	<u>-1.598.932</u>	<u>-1.598.932</u>
Equity at 31 December 2019	<u>50.000</u>	<u>-11.283.729</u>	<u>-11.233.729</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.

2 FINANCIAL COSTS

Financial expenses, group entities

2019	2018
DKK	DKK
501.510	494.507
<u>501.510</u>	<u>494.507</u>

3 TAX ON PROFIT/LOSS FOR THE YEAR

Current tax for the year

0	-55.609
<u>0</u>	<u>-55.609</u>

NOTES

4 TANGIBLE ASSETS

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2019	3.441.563	8.859.261
Additions for the year	25.400	85.343
Cost at 31 December 2019	3.466.963	8.944.604
Impairment losses and depreciation at 1 January 2019	1.457.762	3.897.385
Depreciation for the year	335.466	1.475.837
Impairment losses and depreciation at 31 December 2019	1.793.228	5.373.222
Carrying amount at 31 December 2019	1.673.735	3.571.382

5 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 2019: 7,091 tDKK (2018: 8,433 tDKK).

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

6 RELATED PARTIES AND OWNERSHIP STRUCTURE

Other related parties

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