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Copenhagen Institute Of Interaction Design ApS

Toldbodgade 37 B
1253 København K
Business Registration No
29916489

Annual report 2018

The Annual General Meeting adopted the annual report on 05.07.2019

Chairman of the General Meeting

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Name: Simona Maschi

Contents

Entity details

Entity
Copenhagen Institute Of Interaction Design ApS
Toldbodgade 37 B
1253 København K

Central Business Registration No (CVR): 29916489
Registered in: København
Financial year: 01.01.2018 - 31.12.2018

Board of Directors
Jakob Riis, Chairman
Simona Maschi

Executive Board
Simona Maschi, CEO

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Copenhagen Institute Of Interaction Design ApS for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 05.07.2019

Executive Board

Simona Maschi
CEO

Board of Directors

Jakob Riis Chairman	Simona Maschi

Independent auditor's report

To the shareholders of Copenhagen Institute Of Interaction Design ApS

Opinion

We have audited the financial statements of Copenhagen Institute Of Interaction Design ApS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

Without modifying our opinion, we point out that great uncertainty exists regarding the Company´s going concern. We refer to the information provided in note 1, in which it appears that the Company´s going concern is secured by a Letter of Support issued by a member of the Board. According to Management's assessment this funding is sufficient and they present the annual report under the assumption of going concern.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 05.07.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Bjørn Winkler Jakobsen
State Authorised Public Accountant
Identification No (MNE) mne32127

Management commentary

Primary activities

Copenhagen Institute of Interaction Desgin (CIID) is a design institute that builds on an integrated structure which incorporates education, consultancy services and research.

Development in activities and finances

The Company has realised a loss of DKK 7,259 thousand which is not considered satisfactory. The Company's going concern is secured by a Letter of Support issued by one of the owners. It has been agreed that financial support up to DKK 10,000 thousand will be provided through loans to ensure the ongoing operations of the company through 2019. According to Management's assessment this funding is sufficient and they present the annual report under the assumption of going concern

Management expects a positive result for next year.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Income statement for 2018

	Notes	2018 DKK	2017 DKK
Revenue		15.119.423	15.477.194
Other operating income	2	1.561.033	2.514.243
Other external expenses		(11.076.450)	(9.499.602)
Gross profit/loss		**5.604.006**	**8.491.835**
Staff costs	3	(11.172.054)	(12.311.887)
Depreciation, amortisation and impairment losses		(99.696)	(150.940)
Operating profit/loss		**(5.667.744)**	**(3.970.992)**
Income from investments in group enterprises		(1.416.304)	787.027
Other financial income		32.488	1.964
Other financial expenses		(144.353)	(557.651)
Profit/loss before tax		**(7.195.913)**	**(3.739.652)**
Tax on profit/loss for the year	4	(62.716)	(12.339)
Profit/loss for the year		**(7.258.629)**	**(3.751.991)**
Proposed distribution of profit/loss			
Retained earnings		(7.258.629)	(3.751.991)
		(7.258.629)	**(3.751.991)**

Balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK
Other fixtures and fittings, tools and equipment		249.766	303.020
Property, plant and equipment		**249.766**	**303.020**
Investments in group enterprises		0	83.975
Other investments		15	15
Other receivables		409.316	398.914
Fixed asset investments		**409.331**	**482.904**
Fixed assets		**659.097**	**785.924**
Trade receivables		2.470.165	172.011
Receivables from group enterprises	5	681.130	1.883.067
Deferred tax		0	72.486
Other receivables		1.237.839	1.109.541
Income tax receivable		3.323	0
Prepayments		424.745	444.623
Receivables		**4.817.202**	**3.681.728**
Cash		**5.299.945**	**1.056.038**
Current assets		**10.117.147**	**4.737.766**
Assets		**10.776.244**	**5.523.690**

Balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK
Contributed capital		160.715	160.715
Reserve for net revaluation according to the equity method		33.975	33.975
Retained earnings		(11.068.717)	(3.810.088)
Equity		**(10.874.027)**	**(3.615.398)**
Payables to shareholders and management		3.448.965	0
Non-current liabilities other than provisions	6	**3.448.965**	**0**
Bank loans		41.185	22.119
Prepayments received from customers		14.172.088	4.212.080
Trade payables		1.056.505	1.192.130
Payables to shareholders and management		10.229	51.851
Other payables		2.005.768	2.051.871
Deferred income		915.531	1.609.037
Current liabilities other than provisions		**18.201.306**	**9.139.088**
Liabilities other than provisions		**21.650.271**	**9.139.088**
Equity and liabilities		**10.776.244**	**5.523.690**
Going concern	1		
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		
Assets charged and collateral	9		
Transactions with related parties	10		

Statement of changes in equity for 2018

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	160.715	33.975	(3.810.088)	(3.615.398)
Profit/loss for the year	0	0	(7.258.629)	(7.258.629)
Equity end of year	**160.715**	**33.975**	**(11.068.717)**	**(10.874.027)**

Notes

1. Going concern

The Company's going concern is secured by a Letter of Support issued by one of of the owners. It has been agreed that financial support up to DKK 10,000 thousand will be provided through loans to ensure the ongoing operations of the company through 2019. According to Management's assessment this funding is sufficient and they present the annual report under the assumption of going concern.

2. Other operating income

Other operating income includes grants regrading the PELARS projects and other grants.

	2018 DKK	2017 DKK
3. Staff costs		
Wages and salaries	11.274.831	12.241.934
Other social security costs	(102.777)	69.953
	11.172.054	**12.311.887**
Average number of employees	**19**	**19**

	2018 DKK	2017 DKK
4. Tax on profit/loss for the year		
Change in deferred tax	72.486	12.339
Adjustment concerning previous years	(9.770)	0
	62.716	**12.339**

5. Receivables from group enterprises

Receivables from group enterprises comprises debt from a subsidiary. The Company has signed a subordination agreement thereby withdrawing from repayment until all other creditors have been paid in full. The subordination agreement is valid through 2019 and includes the current amount of the debt from the subsidiary company at the balance date and through 2019.

6. Liabilities other than provisions

Non-current liabilities consist of a credit facility that is non-callable until 1 January 2020. The loan is interest calculated on market terms.

	2018 DKK	2017 DKK
7. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**935.123**	**800.741**

Notes

8. Contingent liabilities

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is thefore liable from the financial year 2013 for income taxes etc. for the jointly taxed compaines and from 1 July 2012 also for obligations, if any, relating to whitholding of tax on interest, royalties and dividens for these companies.

9. Assets charged and collateral

Cash and cash equivalents totaling DKK 50,000 have been provided as security.

10. Transactions with related parties

No transactions with related parties were made in financial year, which were not made on an arm´s length basis.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Accounting policies

Income statement

Revenue

Revenue comprises the invocied fees for the year. Theese fees are recognised in the income statement when invoiced.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including grants recevied from public instutions and private funds.

Grants are recognised when the following terms have been met:

- The Company has obtained definite undertaking from the grantor.
- The Company is likely to meet terms related to the grant.
- It is very likely that the Company will not have to repay the grant.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income and net capital gains on payables and trasanction in foreign currencies.

Other financial expenses

Other financial ecpenses comprises interest income and net capital gains on payables and trasanction in foreign currencies

Accounting policies

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

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

Cost comprises the acquisition price, costs directly attributable to the acquisition.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Fixtures and fittings, tools and equipment	3 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Other investments
Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Accounting policies

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.