

CIEE DENMARK APS  
Købmagergade 62, 1.  
1150 København K

Annual report for 2019

Adopted at the annual general meeting on  
31 August 2020



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Karin Møller  
chairman

## TABLE OF CONTENTS

	<b>Page</b>
<b>Statements</b>	
Statement by management on the annual report	3
Independent auditor's review report	4
<b>Management's review</b>	
Company details	6
Management's review	7
<b>Financial statements</b>	
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 CIEE Denmark ApS for the financial year 1 January - 31 December 2019.

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

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

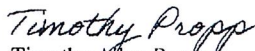
Management recommends to the company in general meeting that the financial statements for 2020 are not to be audited. Management considers the criteria for not auditing the financial statements to be met.

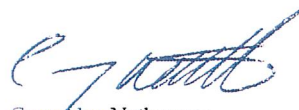
The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.


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

Copenhagen, 31 August 2020

### Executive board

  
Timothy Allen Propp  
CEO

  
Cary Alan Nathenson  
director

  
Karin Klitgaard Møller  
director

The company in general meeting has resolved that the financial statements for the coming financial year are not be audited.

# INDEPENDENT AUDITOR'S REVIEW REPORT

## *To the shareholder of CIEE Denmark ApS*

We have reviewed the accompanying financial statements of CIEE Denmark ApS for the financial year 1 January - 31 December 2019, which comprise, income statement, balance sheet, notes and summary of significant accounting policies.

### **Management's responsibility 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 the financial statements that are free from material misstatement whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard relating to Engagements to Review Historical Financial Statements and additional requirements under Danish Auditor regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This requires us also to comply with relevant ethical requirements.

A review of financial statements in accordance with the International Standard relating to Engagements to Review Historical Financial Statements is a limited assurance engagement. The auditor performs procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly we do not express an audit opinion on these financial statements.

### **Basis for Qualified Opinion**

The Company is registered for VAT but have reported zero declarations to the tax authorities. Deductible VAT (købsmoms) for 2019 is estimated to TDKK 1,344. The Company has initiated legal investigation to clarify the registration obligations with the tax authorities. The financial statements have been presented including VAT. If VAT had been deducted, it would have had a positive net effect on profit and equity. Consequently, we were unable to determine whether any adjustments to these amounts are necessary.

### **Qualified Opinion**

Based on our review, except for the effects of the matter described in the "Basis for qualified opinion" section, nothing has come to our attention that causes us to believe that the financial statements do not give a true and fair view of the financial position of the Company at 31 December 2019 or of the results of the Company's operations for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

## INDEPENDENT AUDITOR'S REVIEW REPORT


### Emphasis of matter

We wish to note that the Company's ability to continue as a going concern is associated with material uncertainty. We refer to note 1 in the financial statements, which reflects that the Company's ability to continue as a going concern depends on whether the organization regain activity after corona crisis. Management does not yet have an overview of the effect and possible consequences, and it remains uncertain what kind of initiatives are being taken to mitigate the crises. Liabilities which may arise should the activities continue to be set on hold have not been recognised in the financial statements. We have not modified our opinion in respect of this matter

Copenhagen, 31 August 2020

**MAZARS**

Statsautoriseret Revisionspartnerselskab  
CVR no. 31 06 17 41



Pia Lillebæk  
statsautoriseret revisor  
MNE no. mne30257

## COMPANY DETAILS

### The company

CIEE Denmark ApS  
Købmagergade 62, 1.  
1150 København K

CVR no.: 39 22 29 30

Reporting period: 1 January - 31 December 2019

Domicile: Copenhagen

### Executive board

Timothy Allen Propp, CEO  
Cary Alan Nathenson, director  
Karin Klitgaard Møller, director

### Auditors

Mazars  
Statsautoriseret Revisionspartnerselskab  
Midtermolen 1, 2.tv.  
2100 København Ø

## MANAGEMENT'S REVIEW

### **Business review**

The purpose of the company is to conduct business with trade, service and production, as well as all activities that, in the opinion of the Executive Board, are related to this.

### **Financial review**

The company's income statement for the year ended 31 December 2019 shows a profit of DKK 357.903, and the balance sheet at 31 December 2019 shows equity of DKK 414.961.

### **Significant events occurring after the end of the financial year**

The consequences of COVID-19, in which many governments around the world have decided to "shut down the countries", are of big importance to the world economy. CIEE's exposure to these risks is direct, as students can't travel around the world as usual. Management considers the consequences of COVID-19 as an event that occurred after the balance sheet date and is therefore a non-regulatory event for the company. As the time frame for closures and general limitations is unknown, it is not possible at this time to calculate the magnitude of the negative impact of COVID-19.

We refer to note 1 in the financial report in relation to COVID-19 and going concern assumptions.

## ACCOUNTING POLICIES

The annual report of CIEE Denmark 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.

### **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, other operating income less other external expenses.

### **Revenue**

Income from services is recognised on a straight-line basis with cost + 4 % as the services are provided.

### **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.



## ACCOUNTING POLICIES

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of other fixtures and fittings, tools 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, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions and surcharges and allowances 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, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

### **Balance sheet**

#### **Tangible assets**

Items of fixtures and fittings, tools and equipment and leasehold improvement 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.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

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

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0 %

#### **Receivables**

Receivables are measured at amortised cost.

#### **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.

#### **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.

## ACCOUNTING POLICIES

### **Deferred income**

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

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2019 DKK	2018 DKK
<b>Gross profit</b>		<b>4.733.112</b>	<b>1.831.511</b>
Staff costs	2	-3.187.918	-1.795.676
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-1.094.202	-16.943
<b>Profit/loss before net financials</b>		<b>450.992</b>	<b>18.892</b>
Financial income		28.239	9.986
Financial costs		-18.674	-19.829
<b>Profit/loss before tax</b>		<b>460.557</b>	<b>9.049</b>
Tax on profit/loss for the year	3	-102.654	-1.991
<b>Profit/loss for the year</b>		<b>357.903</b>	<b>7.058</b>
 <b>Recommended appropriation of profit/loss</b>			
Retained earnings		357.903	7.058
		<b>357.903</b>	<b>7.058</b>

## BALANCE SHEET 31 DECEMBER

	Note	2019 DKK	2018 DKK
<b>ASSETS</b>			
Other fixtures and fittings, tools and equipment		1.866.429	174.451
Leasehold improvements		4.811.124	4.575.220
<b>Tangible assets</b>	4	<b>6.677.553</b>	<b>4.749.671</b>
Deposits		1.161.395	1.486.046
<b>Fixed asset investments</b>		<b>1.161.395</b>	<b>1.486.046</b>
<b>Total non-current assets</b>		<b>7.838.948</b>	<b>6.235.717</b>
Receivables from subsidiaries		50.000	0
Other receivables		267	253
Prepayments		72.170	437.775
<b>Receivables</b>		<b>122.437</b>	<b>438.028</b>
<b>Cash at bank and in hand</b>		<b>3.042.599</b>	<b>1.994.595</b>
<b>Total current assets</b>		<b>3.165.036</b>	<b>2.432.623</b>
<b>Total assets</b>		<b>11.003.984</b>	<b>8.668.340</b>

## BALANCE SHEET 31 DECEMBER

	Note	2019 DKK	2018 DKK
<b>EQUITY AND LIABILITIES</b>			
Share capital		50.000	50.000
Retained earnings		364.961	7.058
<b>Equity</b>	5	<b>414.961</b>	<b>57.058</b>
Provision for deferred tax		104.645	1.991
<b>Total provisions</b>		<b>104.645</b>	<b>1.991</b>
Other payables		98.035	0
<b>Total non-current liabilities</b>		<b>98.035</b>	<b>0</b>
Payables to subsidiaries		0	5.480.488
Other payables		266.910	225.049
Deferred income		10.057.901	2.894.278
Deposits		61.532	9.476
<b>Total current liabilities</b>		<b>10.386.343</b>	<b>8.609.291</b>
<b>Total liabilities</b>		<b>10.484.378</b>	<b>8.609.291</b>
<b>Total equity and liabilities</b>		<b>11.003.984</b>	<b>8.668.340</b>
Uncertainty about the continued operation (going concern)	1		
Subsequent events	6		
Mortgages and collateral	7		

## NOTES

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

Management has prepared the financial statements on a going concern basis. Referring to Note 6, Subsequent events, the Company's ability to continue as a going concern depends on whether the CIEE organization regain activity after corona crisis. The Company will apply for bailouts and examine other initiatives to support continued operations, possibly with a reduced level of activity. It has not been possible to quantify the effect hereof on the financial statements.

	2019	2018
	DKK	DKK
<b>2 STAFF COSTS</b>		
Wages and salaries	2.827.147	1.593.795
Pensions	345.182	195.357
Other social security costs	15.589	6.524
	3.187.918	1.795.676
 Average number of employees	 4	 4
 <b>3 TAX ON PROFIT/LOSS FOR THE YEAR</b>		
Deferred tax for the year	102.654	1.991
	102.654	1.991
 <b>4 TANGIBLE ASSETS</b>		
	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2019	191.394	4.575.220
Additions for the year	2.259.124	762.960
Cost at 31 December 2019	2.450.518	5.338.180
 Impairment losses and depreciation at 1 January 2019	 16.943	 0
Depreciation for the year	567.146	527.056
Impairment losses and depreciation at 31 December 2019	584.089	527.056
Carrying amount at 31 December 2019	1.866.429	4.811.124

## NOTES

### 5 EQUITY

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2019	50.000	7.058	57.058
Net profit/loss for the year	<u>0</u>	<u>357.903</u>	<u>357.903</u>
Equity at 31 December 2019	<u><u>50.000</u></u>	<u><u>364.961</u></u>	<u><u>414.961</u></u>

### 6 SUBSEQUENT EVENTS

The consequences of COVID-19, in which many governments around the world have decided to "shut down the countries", are of big importance to the world economy. CIEE's exposure to these risks is direct, as students can't travel around the world as usual. Management considers the consequences of COVID-19 as an event that occurred after the balance sheet date and is therefore a non-regulatory event for the company. As the time frame for closures and general limitations is unknown, it is not possible at this time to calculate the magnitude of the negative impact of COVID-19.

### 7 MORTGAGES AND COLLATERAL

The company has assumed guarantee commitments regarding office rent until December 1, 2028. The guarantee is maximized to TDKK 13.399.

As security for credit card engagement TDKK 200 pledges are given in a suspended bank account.