Keesing Danmark A/S

Bernhard Bangs Alle 23

2000 Frederiksberg

CVR no. 89 96 43 18

Annual report for 2019

Adopted at the annual general meeting on 19 June 2020

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Jesper Kim Wamsler
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Keesing Danmark A/S 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 that the annual report should be approved by the company in general meeting.

Frederiksberg, 19 June 2020

Executive board

Jesper Kim Wamsler
director

Supervisory board

Philip Joris Alberdingk Thijm chairman	Jacob Hendrik Bouman	Jesper Kim Wamsler

Independent auditor's report on extended review

To the shareholder of Keesing Danmark A/S

Opinion

We have performed extended review of the financial statements of Keesing Danmark A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the performed work it is our opinion, that 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 accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's standard on auditor's report for small enterprises and FSR - danish auditors' standard on extended review of financial statements in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the “Auditor's responsibilities for the extended review of the financial statements” section of our report. We are independent of the company in accordance with the International Ethics Standards Board for 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Auditor's responsibility for the extended review of the financial statements

Our responsibility is to express a conclusion on the accompanying financial statements. This requires us to perform procedures in order to obtain limited assurance for our conclusion on these financial statements, and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

Independent auditor's report on extended review

An extended review of financial statements includes procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit and accordingly we do not express an audit opinion on these financial statements.

Statement on management's review

Management is responsible for management's review.

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

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

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

Based on the work we have performed, we conclude that management's review 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 management's review.

Copenhagen, 19 June 2020

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Thomas Frommelt Hertz
statsautoriseret revisor
MNE no. mne31543

Company details

The company	Keesing Danmark A/S Bernhard Bangs Alle 23 2000 Frederiksberg	
	CVR no.:	89 96 43 18
	Reporting period:	1 January - 31 December 2019
	Domicile:	Frederiksberg
Supervisory board	Philip Joris Alberdingk Thijm, chairman Jacob Hendrik Bouman Jesper Kim Wamsler	
Executive board	Jesper Kim Wamsler, director	
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S	

Management's review

Business review

The activity of the company is operation of publishing including production and sale of editorial material and other related services.

Financial review

The company's income statement for the year ended 31 December 2019 shows a profit of DKK 4.654.756, and the balance sheet at 31 December 2019 shows equity of DKK 2.973.239.

The company has lost more than 50% of the share capital. The management will according to the Danish Companies Act undertake actions that ensure the restoration hereof.

Significant events occurring after the end of the financial year

The Covid-19 outbreak and the actions taken by governments in most of the world to mitigate the effect is expected to have a minor impact on the Company's distribution of the revenue but on a general level the expectations are maintained.

Income statement
1 January 2019 - 31 December 2019

	Note	2019 DKK	2018 DKK
Gross profit		**7.792.188**	**7.008.143**
Staff costs	1	-4.768.997	-5.476.776
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-219.587	-50.773
Profit/loss before net financials		**2.803.604**	**1.480.594**
Income from investments in subsidiaries	3	17.690	0
Financial income	4	22.637	47.116
Financial costs	5	-316.854	-219.902
Profit/loss before tax		**2.527.077**	**1.307.808**
Tax on profit/loss for the year	6	2.127.679	0
Profit/loss for the year		**4.654.756**	**1.307.808**

Recommended appropriation of profit/loss

Reserve for net revaluation under the equity method	17.690	0
Retained earnings	4.637.066	1.307.808
	4.654.756	**1.307.808**

Balance sheet at 31 December 2019

	Note	2019	2018
		DKK	DKK
Assets			
Completed development projects		0	0
Intangible assets	7	**0**	**0**
Other fixtures and fittings, tools and equipment		462.629	145.402
Leasehold improvements		51.044	81.271
Tangible assets	8	**513.673**	**226.673**
Investments in subsidiaries	9	3.517.690	0
Deposits	10	87.602	84.886
Fixed asset investments		**3.605.292**	**84.886**
Total non-current assets		**4.118.965**	**311.559**
Work in progress		423.318	418.044
Prepayments for goods		526.758	1.466.782
Stocks		**950.076**	**1.884.826**
Trade receivables		3.271.809	1.338.203
Receivables from subsidiaries		0	1.180
Other receivables		1.939	149.512
Deferred tax asset		2.127.679	0
Prepayments		7.508	0
Receivables		**5.408.935**	**1.488.895**
Cash at bank and in hand		**634.779**	**433.343**
Total current assets		**6.993.790**	**3.807.064**
Total assets		**11.112.755**	**4.118.623**

Balance sheet at 31 December 2019

	Note	2019	2018
		DKK	DKK
Equity and liabilities			
Share capital		7.347.232	7.347.232
Retained earnings		-4.373.993	-9.668.241
Equity	11	**2.973.239**	**-2.321.009**
Other payables		209.292	0
Total non-current liabilities		**209.292**	**0**
Trade payables		952.442	3.002.946
Payables to subsidiaries		4.676.252	1.337.659
Other payables		1.705.483	1.117.337
Deferred income		546.802	981.690
Lease obligation		49.245	0
Total current liabilities		**7.930.224**	**6.439.632**
Total liabilities		**8.139.516**	**6.439.632**
Total equity and liabilities		**11.112.755**	**4.118.623**
Rent and lease liabilities	12		
Contingent liabilities	13		
Consolidation	14		

Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2019	7.347.232	0	-9.667.677	-2.320.445
Net effect from change of accounting policy	0	0	638.928	638.928
Adjusted equity at 1 January 2019	7.347.232	0	-9.028.749	-1.681.517
Transfer for coverage of losses	0	-17.690	17.690	0
Net profit/loss for the year	0	17.690	4.637.066	4.654.756
Equity at 31 December 2019	**7.347.232**	**0**	**-4.373.993**	**2.973.239**

Notes

		2019	2018
		DKK	DKK
1	**Staff costs**		
	Wages and salaries	3.925.716	4.744.046
	Pensions	728.151	634.924
	Other social security costs	115.130	97.806
		4.768.997	**5.476.776**
	Average number of employees	13	12

		2019	2018
		DKK	DKK
2	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**		
	Depreciation tangible assets	219.587	50.773
		219.587	**50.773**

		2019	2018
		DKK	DKK
3	**Income from investments in subsidiaries**		
	Share of profits of subsidiaries	324.601	0
	Amortisation of goodwill	-306.911	0
		17.690	**0**

		2019	2018
		DKK	DKK
4	**Financial income**		
	Other financial income	1.625	0
	Exchange gains	21.012	47.116
		22.637	**47.116**

Notes

		2019	2018
		DKK	DKK
5	**Financial costs**		
	Other financial costs	172.144	17.236
	Exchange loss	144.710	202.666
		316.854	**219.902**

		2019	2018
		DKK	DKK
6	**Tax on profit/loss for the year**		
	Current tax for the year	0	1
	Deferred tax for the year	-2.127.679	-1
		-2.127.679	**0**

7 Intangible assets

	Completed development projects
Cost at 1 January 2019	3.779.815
Disposals for the year	-1.088.398
Cost at 31 December 2019	2.691.417
Impairment losses and amortisation at 1 January 2019	3.779.815
Reversal of impairment and amortisation of sold assets	-1.088.398
Impairment losses and amortisation at 31 December 2019	2.691.417
Carrying amount at 31 December 2019	**0**

Notes

8 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2019	701.946	153.716
Net effect from change of accounting policy	101.491	0
Additions for the year	405.096	0
Disposals for the year	-404.893	0
Cost at 31 December 2019	803.640	153.716
Impairment losses and depreciation at 1 January 2019	556.544	72.445
Depreciation for the year	189.360	30.227
Reversal of impairment and depreciation of sold assets	-404.893	0
Impairment losses and depreciation at 31 December 2019	341.011	102.672
Carrying amount at 31 December 2019	**462.629**	**51.044**

Book value of leasing assets amounts to DKK 49.245 as of 31 December 2019.

	2019 DKK	2018 DKK
9 Investments in subsidiaries		
Additions for the year	3.500.000	0
Cost at 31 December 2019	3.500.000	0
Net profit/loss for the year	324.601	0
Amortisation of goodwill	-306.911	0
Revaluations at 31 December 2019	17.690	0
Carrying amount at 31 December 2019	**3.517.690**	**0**

Book value of goodwill amounts to DKK 2.762.196 as of 31 December 2019.

Notes

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
PIB Features ApS	Frederiksberg	100%	752.337	288.486

10 Fixed asset investments

	Deposits
Cost at 1 January 2019	84.886
Additions for the year	2.716
Cost at 31 December 2019	87.602
Carrying amount at 31 December 2019	**87.602**

11 Equity

The share capital consists of:

	Nominal value
5 shares of DKK 100.000	500.000
1 shares of DKK 1.000.000	1.000.000
1 shares of DKK 3.000.000	3.000.000
1 shares of DKK 2.847.232	2.847.232
	7.347.232

Notes

	2019	2018
	DKK	DKK
12 Rent and lease liabilities		
Liabilities under rental or lease agreements until maturity in total	152.922	81.000

13 Contingent liabilities

As management company, the company is jointly taxed with other danish related parties and jointly and severally liable with other jointly taxed entities for payment of income taxes as well as for payment of withholding taxes on dividends, interest and royalties.

14 Consolidation

Consolidated financial statements

Name and registered office of the Parent preparing consolidated financial statements for the group:

Keesing Belgium NV, Deurne, Belgium

15 Accounting policies

The annual report of Keesing Danmark A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year in addition to the changes in accounting policies listed below.

The annual report for 2019 is presented in DKK.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Notes

15 Accounting policies

Changes in accounting policies

Changes due to application of IFRS 15 and IFRS 16

Within the framework of the Danish Financial Statements Act, the Company has as of 1 January 2019 changed accounting policies in respect of applying the accounting methods of IFRS 15 regarding recognition of revenue and IFRS 16 regarding leasing.

The changes of accounting policy are made due to changes in Group accounting policies and a wish to apply the same policies for Group reporting and local Financial Statements.

The prior-period amounts have not been adjusted due to the below mentioned changes to accounting policies.

Effects of IFRS 15, Revenue from Contracts with Customers

Keesing Danmark A/S has changed accounting policies for recognition of revenue from contracts with customers, so that IFRS 15 is now used as the basis for recognition and measurement of revenue.

The change in accounting policies has been implemented based on the transitional rules in IFRS 15:

- Comparative figures have not been adjusted, which is the effect of changing accounting policies recognized as a primor adjustment in retained earnings as of 1 January 2019. The effect hereof amounts to DKK 638.928.
- Contracts concluded prior to January 1, 2019 under previous accounting policies are not reassessed.

The new rules are thus applied to transactions that took place on or after 1 January 2019 or which were ongoing transactions at the beginning of the financial year. Comparative figures are not adapted to the new accounting policies.

Effects of IFRS 16, Leases

In the context of the transition to IFRS 16, right-of-use assets and lease liabilities of DKK 49.245 were recognized as at 1 January 2019. The income statement for 2019 has been adjusted with Other external expenses reduced with DKK 54.456, depreciations of property, plant and equipment has been increased with DKK 52.246, Financial expenses has been increased with DKK 2.210. Net effect on profit for 2019 amounts to expense of DKK 0.

The Company applied the principles of IFRS 16 in accordance with the modified retrospective approach. The prior-year figures were not adjusted. In addition, Keesing Danmark A/S has decided to apply the new guidance to leases whose term will end within twelve months of the date of initial application. In such cases, the leases are accounted for as short-term leases and the lease payments associated with them are recognized as an expense from short-term leases.

Notes

15 Accounting policies

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 other operating income less costs of raw materials and consumables and other external expenses.

Notes

15 Accounting policies

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer.

Revenue from contracts with customers is recognized based on the transfer of control as after IFRS 15 occurs at the time when control over the delivered product / service is transferred to the customer.

The control is considered transferred when:
- there is a mandatory sales agreement,
- delivery took place before the end of the financial year,
- the selling price is determined, and
- the payment is received or can reasonably be expected to be received.

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year’s revenue.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

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.

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.

Notes

15 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, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

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

Intangible assets

Goodwill

Development projects, patents and licences

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under 'Reserve for development costs' that is reduced as the development projects are amortised and written down.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Notes

15 Accounting policies

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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

Plant and machinery	3-5	years
Other fixtures and fittings, tools and equipment	3-5	years
Leasehold improvements	3-5	years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

The useful life and residual value of the company's property, plant and equipment is reassessed annually.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Leases

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

Notes

15 Accounting policies

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and labour costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash comprises cash in hand and bank deposits.

Equity

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.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

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 assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Notes

15 Accounting policies

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.

Deferred income

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