

**Copenhagen Institute of Interaction  
Design ApS  
Central Business Registration No  
29916489**

**Annual report 2014**

The Annual General Meeting adopted the annual report on 02.06.2015

**Chairman of the General Meeting**

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Name: Simona Maschi

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## **Entity details**

### **Entity**

Copenhagen Institute of Interaction Design ApS  
Toldbodgade 37B  
1253 Copenhagen K

Central Business Registration No: 29916489  
Registered in: Copenhagen  
Financial year: 01.01.2014 - 31.12.2014

Internet: [www.ciid.dk](http://www.ciid.dk)  
E-mail: [info@ciid.dk](mailto:info@ciid.dk)

### **Supervisory Board**

Jakob Riis  
Lars Pedersen

### **Executive Board**

Simona Maschi

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
0900 København C

## **Statement by Management on the annual report**

The Supervisory Board and the Executive Board have today considered and approved the annual report of Copenhagen Institute of Interaction Design ApS for the financial year 01.01.2014 - 31.12.2014.

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 31.12.2014 and of the results of its operations for the financial year 01.01.2014 - 31.12.2014.

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, 02.06.2015

### **Executive Board**

Simona Maschi

### **Supervisory Board**

Jakob Riis

Lars Pedersen

## **Independent auditor's reports**

### **To the owner of Copenhagen Institute of Interaction Design ApS**

#### **Report on the financial statements**

We have audited the financial statements of Copenhagen Institute of Interaction Design ApS for the financial year 01.01.2014 - 31.12.2014, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### **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 financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2014 and of the results of its operations for the financial year 01.01.2014 - 31.12.2014 in accordance with the Danish Financial Statements Act.

#### **Emphasis of matter affecting the financial statements**

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 contingent on firm commitment of funding for future operations and the investments required for next year. According to Management's assessment, sufficient funding will be accommodated and they present the annual report under the assumption of going concern. We agree with Management's assessment.

## **Independent auditor's reports**

### **Statement on the management commentary**

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 02.06.2015

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Bjørn Winkler Jakobsen  
State Authorised Public Accountant

## **Management commentary**

### **Primary activities**

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

### **Development in activities and finances**

The Company has realised a loss of DKK 3,059k which is not satisfactory and as a result, the Company has lost its equity. Management will be providing sufficient funding, and therefore, the annual report is presented under the assumption of going concern.

Management expect a positive result 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.

## **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.

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

### **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 one 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.

### **Income statement**

#### **Revenue**

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

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

## Accounting policies

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including grants received from public institutions 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 the terms related to the grant, and
- It is very likely that the Company will not have to repay the grant.

Grants are recognised in the income statement as earned.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, administration cost, etc. This item also includes write-downs 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.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation 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.

### Other financial income

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

### Other financial expenses

Other financial expenses comprise interest expenses and net capital losses on payables and transactions in foreign currencies.

### Income taxes

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.

## Accounting policies

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

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities.

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.

## 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 and costs directly attributable to the acquisition.

The basis of depreciation is cost plus revaluation minus 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
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Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Receivables

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

### Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date. The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress.

Usually, the stage of completion is determined as the ratio between actual and total budgeted consumption of resources. For some projects where the consumption of resources cannot be applied as a basis, the ratio between completed and total sub-activities of the individual projects has been applied.

If the selling price of a project cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

## **Accounting policies**

All contract work in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayment received, is positive or negative.

### **Deferred tax**

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

### **Income tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated 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 completion of the service agreed.

## Income statement for 2014

	<u>Notes</u>	<u>2014 DKK</u>	<u>2013 DKK</u>
Revenue		9.342.291	13.632.083
Other operating income	2	3.229.011	985.044
Other external expenses		<u>(7.767.260)</u>	<u>(6.928.293)</u>
<b>Gross profit/loss</b>		<b>4.804.042</b>	<b>7.688.834</b>
Staff costs	3	(7.705.082)	(7.539.816)
Depreciation, amortisation and impairment losses		<u>(198.109)</u>	<u>(380.725)</u>
<b>Operating profit/loss</b>		<b>(3.099.149)</b>	<b>(231.707)</b>
Other financial income		1.613	2.879
Other financial expenses		<u>(66.314)</u>	<u>(46.775)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>(3.163.850)</b>	<b>(275.603)</b>
Tax on profit/loss from ordinary activities	4	<u>104.561</u>	<u>(58.532)</u>
<b>Profit/loss for the year</b>		<b><u>(3.059.289)</u></b>	<b><u>(334.135)</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>(3.059.289)</u>	<u>(334.135)</u>
		<b><u>(3.059.289)</u></b>	<b><u>(334.135)</u></b>

**Balance sheet at 31.12.2014**

	<u>Notes</u>	<u>2014 DKK</u>	<u>2013 DKK</u>
Other fixtures and fittings, tools and equipment		288.036	245.554
<b>Property, plant and equipment</b>	5	<b>288.036</b>	<b>245.554</b>
Other receivables		373.794	373.794
<b>Fixed asset investments</b>	6	<b>373.794</b>	<b>373.794</b>
<b>Fixed assets</b>		<b>661.830</b>	<b>619.348</b>
Trade receivables		1.741.688	1.783.473
Contract work in progress		186.000	0
Deferred tax assets		123.540	0
Other short-term receivables		1.324.764	494.505
Income tax receivable		46.506	65.669
Prepayments		34.318	238.660
<b>Receivables</b>		<b>3.456.816</b>	<b>2.582.307</b>
<b>Cash</b>		<b>1.044.622</b>	<b>1.555.358</b>
<b>Current assets</b>		<b>4.501.438</b>	<b>4.137.665</b>
<b>Assets</b>		<b>5.163.268</b>	<b>4.757.013</b>

**Balance sheet at 31.12.2014**

	<u>Notes</u>	<u>2014 DKK</u>	<u>2013 DKK</u>
Contributed capital	7	125.000	125.000
Retained earnings		<u>(2.305.505)</u>	<u>753.784</u>
<b>Equity</b>		<b><u>(2.180.505)</u></b>	<b><u>878.784</u></b>
Subordinate loan capital		<u>2.032.438</u>	<u>0</u>
<b>Non-current liabilities other than provisions</b>		<b><u>2.032.438</u></b>	<b><u>0</u></b>
Prepayments received from customers		3.395.614	2.677.729
Trade payables		622.764	337.578
Other payables		<u>1.292.957</u>	<u>862.922</u>
<b>Current liabilities other than provisions</b>		<b><u>5.311.335</u></b>	<b><u>3.878.229</u></b>
<b>Liabilities other than provisions</b>		<b><u>7.343.773</u></b>	<b><u>3.878.229</u></b>
<b>Equity and liabilities</b>		<b><u><u>5.163.268</u></u></b>	<b><u><u>4.757.013</u></u></b>
Going concern	1		
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**Statement of changes in equity for 2014**

	<b>Contributed capital DKK</b>	<b>Retained ear- nings DKK</b>	<b>Total DKK</b>
Equity beginning of year	125.000	753.784	878.784
Profit/loss for the year	0	(3.059.289)	(3.059.289)
<b>Equity end of year</b>	<b>125.000</b>	<b>(2.305.505)</b>	<b>(2.180.505)</b>

## Notes

### 1. Going concern

The Company's going concern is contingent on either firm commitment of funding for future operations or the investments required for next year. According to Management, sufficient funding will be accommodated, and therefore, they present the annual report under the assumption of going concern.

### 2. Other operating income

Other operating income includes grants regarding the MELA project, the FOOD project and other grants.

	<b>2014 DKK</b>	<b>2013 DKK</b>
<b>3. Staff costs</b>		
Wages and salaries	7.622.431	7.457.273
Other social security costs	82.651	82.543
	<b>7.705.082</b>	<b>7.539.816</b>

	<b>2014 DKK</b>	<b>2013 DKK</b>
<b>4. Tax on ordinary profit/loss for the year</b>		
Change in deferred tax for the year	(123.540)	58.532
Adjustment relating to previous years	18.979	0
	<b>(104.561)</b>	<b>58.532</b>

	<b>Other fix- tures and fittings, tools and equipment DKK</b>
<b>5. Property, plant and equipment</b>	
Cost beginning of year	1.474.020
Additions	240.591
<b>Cost end of year</b>	<b>1.714.611</b>
Depreciation and impairment losses beginning of the year	(1.228.466)
Depreciation for the year	(198.109)
<b>Depreciation and impairment losses end of the year</b>	<b>(1.426.575)</b>
<b>Carrying amount end of year</b>	<b>288.036</b>

## Notes

	<b>Other receivables DKK</b>
<b>6. Fixed asset investments</b>	
Cost beginning of year	373.794
<b>Cost end of year</b>	<b>373.794</b>
<b>Carrying amount end of year</b>	<b>373.794</b>

	<b>Number</b>	<b>Par value DKK</b>	<b>Nominal value DKK</b>
<b>7. Contributed capital</b>			
Ordinary shares	125.000	1,00	125.000
	<b>125.000</b>		<b>125.000</b>

	<b>2014 DKK</b>	<b>2013 DKK</b>
<b>8. Unrecognised rental and lease commitments</b>		
Commitments under rental agreements or leases until expiry	<b>712.018</b>	<b>685.664</b>

### 9. Assets charged and collateral

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

### 10. Ownership

The Company has registered the following shareholder to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Simona Maschi