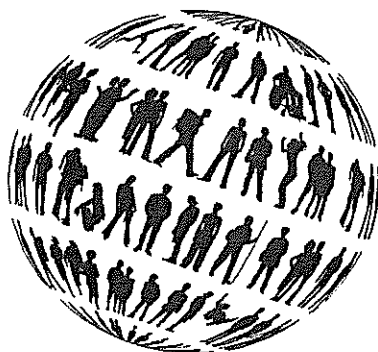


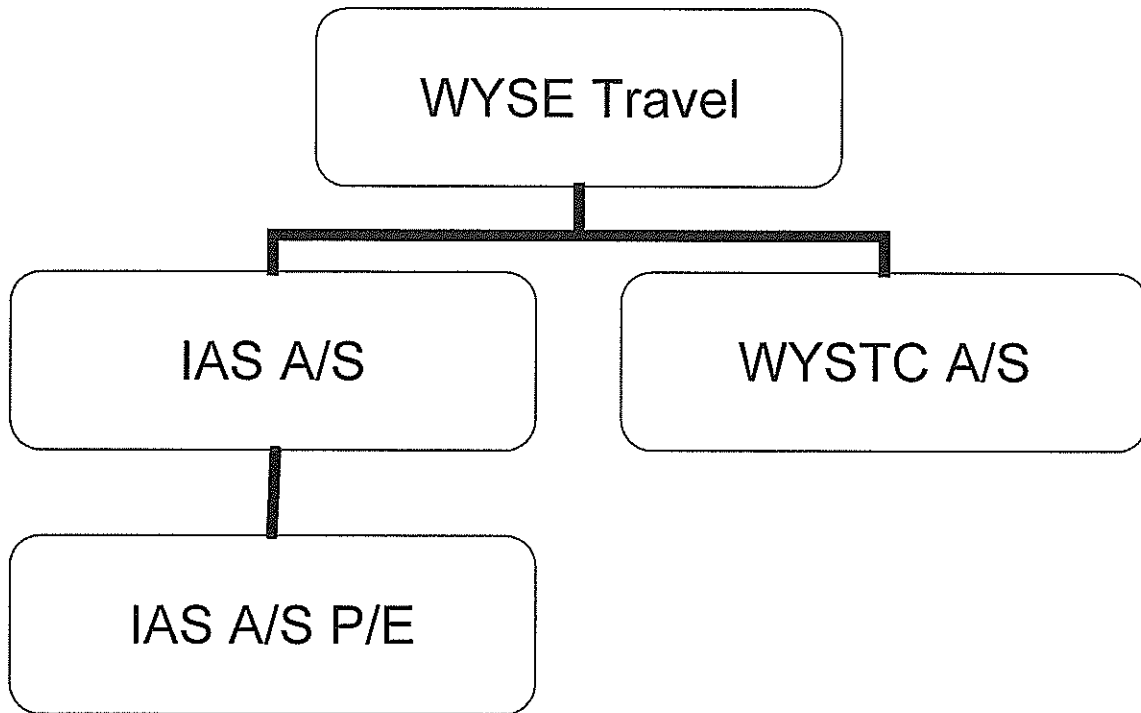
World Youth Student & Educational Travel Confederation

Annual Accounts for 2013



WYSE Travel Confederation

Structure



Auditor's Report

Independent Auditor's Report

To the Members of the World Youth Student & Education Travel Confederation

Report on the Financial Statements

We have audited the combined Financial Statements of World Youth Student & Education Travel Confederation for the financial year 1 January – 31 December 2013, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The combined 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 the combined 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 combined 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 combined 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 whether the combined Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the combined Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Confederation's preparation of the combined 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 Confederation's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the combined Financial Statements.

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

The audit has not resulted in any qualification.

Auditor's Report

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Confederation at 31 December 2013 and of the results of the Confederation's operations for the financial year 1 January - 31 December 2013 in accordance with the Danish Financial Statements Act.

Emphasis of Matter

Without modifying our conclusion, we draw attention to the uncertainty as to the Confederation's ability to continue its operations. We refer to the wording of note 1, "uncertainty regarding the Confederation's capital position and going concern."

Copenhagen, 2014
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Michael Brabrand
State Authorised Public Accountant

Carsten Nielsen
State Authorised Public Accountant

Accounting Policies

Basis Preparation

The annual report of WYSE Travel Confederation for the financial year 1 January 2013 - 31 December 2013 has been prepared in accordance with the provisions of the Financial Statement Act applying to small sized enterprises of reporting class B.

Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and the provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets and liabilities are initially measured at costs. Subsequently, assets and liabilities are measured as described for each item below.

Foreign currency translation

Transactions in foreign currency have been translated to the transaction day's rate during the year. Realized and unrealized exchange rates adjustments are included in the profit and loss account under the financial items.

Profit and Loss account

Sales

The revenue is booked concurrently with delivery and invoicing taking place.

Administrative expenses and marketing costs

The item administrative expenses and marketing costs contains expenses for administrative staff, management, office supplies, computers etc.

Corporate tax and deferred tax

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity entries is recognized directly in equity. And share of the tax reported in the income statement arising from profit/loss on extraordinary activities for the year is attributed to such activities, whereas the remaining share attributed to the profit on ordinary activities for the year.

Current tax liabilities and current tax receivables are recognized in receivables in the balance sheet in the event of overpayment of tax on account, and in debt in the event of underpayment of tax on account.

Accounting Policies

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Any changes in deferred tax due to changes to the tax rates are recognized in the income statement.

Balance Sheet

Tangible fixed Assets

Tangible fixed assets are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Depreciation is calculated on a straight line basis over the expected useful lives of the assets, which are:

Office machinery and equipment	4 years
Computer equipment	3 years

New acquisitions below DKK 9.700 (approx. EURO 1.300) are expensed in the year of acquisition.

Receivables

Receivables are stated at nominal value less provision for bad debts. Provision for bad debts are determined on the basis of an individual assessment of each receivable.

Accounts with affiliates

Accounts with affiliates within the umbrella organisation WYSE Travel Confederation are included under receivables from, or debts to affiliates respectively.

Provisions

Provisions are recognized when - in consequence of an event occurred before or on the balance sheet data - the company has a legal or constructive obligation and it is probable that economic benefits must be given to settle the obligation.

Short-term liabilities

Short-term liabilities are accounted for at the amortized costs, which essentially corresponds to the nominal value.

Profit and Loss Statement

all figures are in Euros (EURO)

Note	2013	
2	WETM Project	31,348
2	IASIS Project	126,127
2	WYSE Travel Confederation Project	1,247,069
2	WYSTC Project	48,049
Gross Profit		1,452,593
17	Administrative Expenses	(1,118,738)
3	Other Operating Expenses	(157,880)
EBITDA		175,975
18	Depreciation	(2,126)
EBIT		173,849
4	Financial Items	116
5	Currency Gain / Loss	(12,601)
Result Before Extraordinary Items		161,365
Extraordinary Items		54,046
EBT		215,411
6	Corporate Tax	(157,091)
Net Profit		58,320
7	Gifts to Affiliated	0
7	Gifts from Affiliated	0
Result for the Year		58,320

EBITA = Earnings Before Interest, Taxes, Depreciation and Amortization

EBIT = Earnings Before Interest and Taxes

EBT = Earnings Before Taxes

Balance Sheet

all figures are in Euros (EURO)

Assets

Note	2013	2012
Fixed Assets		
Office Equipment and Furniture	375	555
Hardware	0	206
Software	1,704	3,444
Total Tangible Fixed Assets	2,078	4,205
Financial Assets		
Loans	20,000	37,609
Long Term Tax Assets	0	157,091
Deposits	31,238	38,652
Total Financial Assets	51,238	233,352
Total Fixed Assets	53,316	237,556
Receivables		
Trade Receivables	638,266	275,580
Other Receivables	7,647	8,506
Receivables from affiliates	58,426	158,396
VAT	2,941	3,707
Prepayments and Accrued Income	127,189	156,109
Other assets	4,674	470
Total Receivables	839,143	602,769
Cash and Bank	245,040	104,291
Total Current Assets	1,084,183	707,060
Total Assets	1,137,498	944,616

Balance Sheet

all figures are in Euros (EURO)

Liabilities

Note	2013	2012
Equity		
Accumulated Reserves	(1,169,018)	(1,227,338)
Total Equity	(1,169,018)	(1,227,338)
Long Term Liabilities		
Loan from Affiliated Member	827,287	817,287
Total Long Term Liabilities	827,287	817,287
Current Liabilities		
Loan from Affiliated Member	35,000	35,000
Trading Creditors	97,997	266,495
Other Liabilities	113,103	301,699
Deferred income	553,794	146,126
Debts to affiliates	679,336	605,347
Total Current Liabilities	1,479,230	1,354,667
Total Liabilities	1,137,498	944,616

Notes

all figures are in Euros (EURO)

In the trading year of 2013, significant changes have been made to the business model, all Sector Associations have now agreed to the new management charges and service agreement. Costs have been reduced as far as possible and staff are now focused on generating income through sales of membership, conference and events tickets and research. This has led to a stabilising of the business and the finances show a slightly better than break even position for the year. Cashflow remains a challenge but is manageable. Looking forward, trading will remain tough and keeping to a break even position will also be difficult. There is an emphasis on growing sales through the above channels which will allow the confederation to grow. This in turn will then feed conference attendance and sales of other services.

Note

2013

WETM Project

Income from the event	140,417
Income	140,417

Event Costs	(77,632)
Marketing & Promotion Costs	(8,796)
Other WETM Costs	(22,640)
Expenses	(109,069)

WETM Project Result	31,348
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Notes

all figures are in Euros (EURO)

Note	2013
IASIS Project	
IASIS Network Access Fee	131,579
Marketing Costs	(1,798)
Tradeshows and Fairs	(1,911)
IT and Website Expenses	(1,307)
Other IASIS Expenses	(436)
IASIS Project Result	126,127
WYSE Travel Confederation Project	
Membership Fees	283,900
Sector Association Membership Fees	290,000
Other Income	719,788
Income	1,293,688
Membership directory / CRM	0
Tradeshows and Fairs	(223)
Annual Conference	(11,661)
Marketing and Promotions	(8,668)
Websites	(10,295)
Research and Survey	(15,771)
WYSE Travel Confederation Project expenses	(46,619)
WYSE Travel Confederation Project	1,247,069
WYSTC Project	
Income from conferences	861,841
Direct conference expenses	
Gross Profit	861,841
Event Costs	(199,306)
Management Fees	0
Marketing & Promotion Costs	(39,352)
Other WYSTC Costs	(575,134)
Currency Gain / Loss	0
WYSTC Project Expenses	(813,792)
WYSTC Project	48,049
Total Project Result	1,312,176

Notes

all figures are in Euros (EURO)

Note	2013
Other Operating Expenses	
Other Operating Expenses	(157,880)
Other Operating Expenses	(157,880)
Financial Items	
Interest Income	110
Interest Expenses	7
Financial Items	116
Currency Gain / Loss	
Currency Gain	284
Currency Loss	(12,885)
Currency Gain / Loss	(12,601)
Gifts from and to Affiliated	
Gifts to Affiliated	0
Gifts from Affiliated	0
Gifts from and to Affiliated	0

Notes

all figures are in Euros (EURO)

Note	2013
Loans	
Loan	20,000
Loans	20,000

The loan represents a loan to BETA and the repayment schedule is based on an agreement between BETA and WYSE Travel Confederation

Trade Receivables

WYSE Travel Confederation Trade Debtors	615,054
WYSTC A/S Trade Debtors	0
IAS A/S Trade Debtors	23,213
Trade Receivables	638,266

Intergroups

ALTO Association	8,901
IAPA Association	(17,004)
IASIS Association	(64,084)
ISIC	5,950
ISTC Association	(390,240)
SATA Association	2,296
STAY WYSE Association	(66,182)
WETM-IAC	4,397
WYSE Work Abroad Association	(104,946)
Intergroups	(620,910)

Amounts between brackets () are amounts owed to and all other amounts are amounts owed from.

Prepayments

Prepaid ISIC Production Costs	0
Accrued Income	125,000
Prepayments for WYSTC A/S	0
Prepayments for WETM-IAC	0
Other Prepayments	2,189
Prepayments	127,189

Notes

all figures are in Euros (EURO)

Note	2013
Accumulated Reserves	
Accumulated Reserves	1,227,338
Adjustments to the Equity	0
Result for the year	58,320
Accumulated Reserves	1,169,018
Trade Creditors	
WYSE Travel Confederation Trade Vendors	(4,600)
WYSTC A/S Trade Vendors	0
IAS A/S Trade Vendors	(93,397)
	(97,997)
Other Liabilities	
Social Premiums and other Staff accruals	(80,150)
IAS Dividend to be paid to ISTC	0
Other Accrued Liabilities	(65,888)
Other Liabilities	(146,038)
Deferred Income	
Deferred Income for WYSE Travel Confederation	488,425
Deferred Income for WYSTC A/S	0
Deferred Income for IAS A/S	65,369
	553,794

Contractual Obligations

Apart from ordinary rent commitments the Confederation has no material contractual obligations.

Notes

all figures are in Euros (EURO)

17. Administrative Expenses	2013			
	WYSE Travel Confederation Consolidated	IAS A/S	WYSE Travel Confederation	WYSTC A/S
Staff and Related Costs	(650,563)	(650,563)	0	0
Rent and Office Costs	(72,809)	(73,470)	0	661
Internet and Communication Costs	(19,266)	(18,161)	(911)	(194)
Office Supplies	(11,258)	(10,297)	(515)	(445)
Computer and IT Costs	(49,928)	(49,572)	(356)	0
Travel & Meetings	(3,137)	(2,132)	(713)	(292)
Board Costs	(10,527)	(9,981)	0	(545)
International Representation	(4,476)	(3,494)	(982)	0
Membership Fees	(7,000)	2,400	(9,400)	0
Insurance Costs	(2,814)	(2,814)	0	0
Annual Reports and Audit	(28,526)	(5,846)	(10,520)	(12,159)
Legal and Professional Fees	(19,472)	(19,472)	0	0
Bad Debt write off	(46,446)	0	(46,446)	0
Bank & CHS Fees	(15,940)	(13,544)	(2,252)	(145)
Other Administrative Costs	(176,576)	(665)	(175,911)	0
Administrative Expenses	(1,118,738)	(857,613)	(248,006)	(13,119)

Board of Directors and Management

Management's Statement

The Director General and the Supervisor Board have today presented the annual report of WYSE Travel Confederation for the financial year 1 January 2013 - 31 December 2013.

The annual report was prepared in accordance with the Danish Financial Statements Act.

We consider the accounting policies applied are appropriate, and the accounting estimates made reasonable. Therefore, in our opinion, the annual report gives a true and fair view of the assets, liabilities, financial position, as well as results of operations and cash flows of the Confederation for 2012

We recommend that the annual report be adopted at the Annual General Meeting.

Copenhagen,

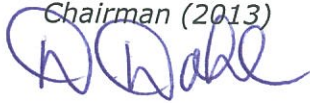
Director General Board



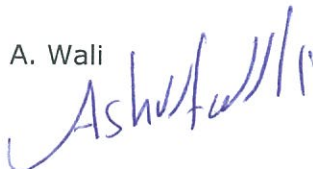
David Chapman

Supervisory Board

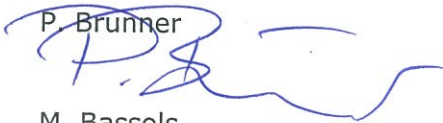
D. Dahl
Chairman (2013)



A. Wali



P. Brunner



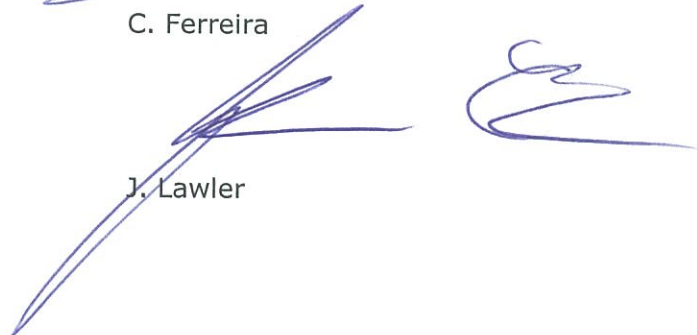
M. Bassols



P. Houghton



C. Ferreira



J. Lawler

Board of Directors and Management

Management Review

The annual report comprises the financial year and covers the period 1 January 2013 - 31 December 2013.

All information important to the assessment of the Confederation's financial position and the results for the year appears from the audited annual report.

Main Activities

The main activity of WYSE Travel Confederation is to carry out sale of services and services of an administrative nature, primarily to the members of WYSE Travel Confederation.

These activities are mainly carried out from a separately registered Dutch Branch of the Danish company and are located in Amsterdam. The sole shareholder of the company is WYSE Travel Confederation, which is a non-commercial association registered in Denmark.

Development in the year

The past year and follow-up on previous year's expected development

This year was below expectations, mainly due to one off extraordinary issues. It is expected that results will improve in the coming years.

Subsequent events

After the balance sheet date, no significant events have occurred which are considered to have a material influence on the assessment of the annual report.

The expected development for the following year

The Director General and the Supervisor Board expect a lower income, but a positive result for the coming accounting year.

Uncertainty concerning recognition and measurement

The annual report is not affected by material uncertainty concerning recognition and measurements.