

## ***Leadership Pipeline Institute A/S***

**Baneskellet 21, 2950 Vedbæk**

**Annual Report for  
1 January 2015 - 31 December 2015  
(2. financial year)**

**The Annual Report was presented and adopted  
at the Annual General Meeting of the Company on  
Vedbæk 03/05 2016**

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**Kent Oksfelt Jonassen**

**Central Business Registration no. 35 86 45 04**

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Revisionsfirmaet Morten Schneider-Statsautoriseret revisionsvirksomhed

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

Today, the board of directors and the executive board have discussed and approved the annual report of Leadership Pipeline Institute A/S for the financial year 1 January - 31 December 2015.

The annual report has been 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 2015 and of the results of its operations for the financial year 1 January - 31 December 2015.

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

We recommend the adoption of the annual report at the annual general meeting.

Vedbæk, 3 May 2016

### **Executive Board**

**Kent Oksfelt Jonassen**  
direktør

### **Supervisory Board**

**Stephen John Drotter**  
chairman

**Søren Jens Laugaard**  
deputy chairman

**Direktør Kent Oksfelt Jonassen**

## **Independent auditor's report**

### ***To the Shareholders of Leadership Pipeline Institute A/S***

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

We have audited the financial statements of Leadership Pipeline Institute A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### **Management's responsibility for the financial statements**

The management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as the 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 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 the management, as well as evaluating 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 opinion.

The audit has not resulted in any qualification.

#### **Opinion**

In our opinion, the financial statement give a true and fair view of the company's financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

## **Independent auditor's report**

### **Statement on management's review**

Pursuant to the Danish Financial Statements Act, we have read the management's review. 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's review is consistent with the financial statements.

**Frederiksberg, 03 May, 2016**  
**Revisionsfirmaet Morten Schneider**  
**Statsautoriseret revisionsvirksomhed**  
**CVR-no.33 17 69 96**

**Morten Schneider**  
**statsautoriseret revisor**

## Company details

### **The company**

Leadership Pipeline Institute A/S  
Baneskellet 21  
2950 Vedbæk

CVR no.: 35 86 45 04  
Financial year: 1 January - 31 December  
Domicile: Rudersdal

### **Board of directors**

Stephen John Drotter, chairman  
Søren Jens Laungaard, deputy chairman  
Kent Oksfelt Jonassen

### **Executive board**

Kent Oksfelt Jonassen, direktør

### **Auditors**

Revisionsfirmaet Morten Schneider  
Statsautoriseret revisionsvirksomhed  
Dalgas Boulevard 168  
2000 Frederiksberg

### **General meeting**

The annual general meeting is held  
at the company's address on 3 May 2016, kl. 14.00.

## **Management's review**

### **The company business activities**

The company's objective is to sell royalty in connection with educational programmes and to carry on other related activities.

### **Business review**

The company's income statement for the year ended 31 December 2015 shows a profit of DKK 397,017, and the balance sheet at 31 December 2015 shows equity of DKK 1,353,060.

### **The company's likely future development including special assumptions and uncertain factors**

It is expected that the company will perform successfully in the years to come.

### **The year at a glance and follow-up on expectations expressed last year**

The result in 2015 has been satisfactory and a similar result is expected in the year to come.

## Income statement 1 January - 31 December

	<u>Note</u>	<u>2015</u> kr.	<u>2014</u> kr.
<b>Revenue</b>		<b>1.480.566</b>	<b>713.801</b>
Other external expenses		-897.207	-101.725
<b>Gross profit</b>		<b>583.359</b>	<b>612.076</b>
<b>Earnings before interest, tax, depreciation and amortisation</b>		<b>583.359</b>	<b>612.076</b>
<b>Profit/loss before financial income and expenses</b>		<b>583.359</b>	<b>612.076</b>
Income from investments in subsidiaries	1	-65.840	0
Financial income		253	1.087
Financial costs	2	-14.958	-6.910
<b>Profit/loss before tax</b>		<b>502.814</b>	<b>606.253</b>
Tax on profit/loss for the year	3	-105.797	-150.210
<b>Net profit/loss for the year</b>		<b>397.017</b>	<b>456.043</b>
Proposed dividend for the year		400.000	0
Reserve for net re-valuation under the equity method		52.565	0
Retained earnings		-55.548	456.043
		<b>397.017</b>	<b>456.043</b>



## Balance sheet at 31 December

	Note	2015	2014
		kr.	kr.
<b>Assets</b>			
Investments in subsidiaries	4	314.474	0
<b>Fixed asset investments</b>		<b>314.474</b>	<b>0</b>
<b>Fixed assets total</b>		<b>314.474</b>	<b>0</b>
Trade receivables		761.010	128.478
Other receivables		7.570	21.213
<b>Receivables</b>		<b>768.580</b>	<b>149.691</b>
<b>Cash at bank and in hand</b>		<b>500.163</b>	<b>948.626</b>
<b>Current assets total</b>		<b>1.268.743</b>	<b>1.098.317</b>
<b>Assets total</b>		<b>1.583.217</b>	<b>1.098.317</b>
<b>Liabilities and equity</b>			
Selskabskapital		500.000	500.000
Reserve for net re-valuation under the equity method		52.565	0
Retained earnings		400.495	456.043
Proposed dividend for the year		400.000	0
<b>Equity total</b>	5	<b>1.353.060</b>	<b>956.043</b>
Payables to associates		6.910	0
Corporation tax		105.797	127.274
Other payables		117.450	15.000
<b>Short-term debt</b>		<b>230.157</b>	<b>142.274</b>
<b>Debt total</b>		<b>230.157</b>	<b>142.274</b>

## Balance sheet at 31 December (Continued)

	<u>Note</u>	<u>2015</u> kr.	<u>2014</u> kr.
<b>Liabilities and equity</b>			
<b>Liabilities and equity total</b>		<b><u>1.583.217</u></b>	<b><u>1.098.317</u></b>
Related parties and ownership	6		

## Notes to the Annual Report

### 1 Income from investments in subsidiaries

Share of profits of subsidiaries	52.565	0
Share of losses of subsidiaries	-118.405	0
	<b>-65.840</b>	<b>0</b>

### 2 Financial costs

Other financial costs	-2	6.910
Exchange adjustments costs	14.960	0
	<b>14.958</b>	<b>6.910</b>

### 3 Tax on profit/loss for the year

Current tax for the year	105.797	150.210
	<b>105.797</b>	<b>150.210</b>

### 4 Investments in subsidiaries

Cost at 1 January 2015	0	0
Additions for the year	395.274	0
Cost at 31 December 2015	395.274	0
Revaluations at 1 January 2015	0	0
Exchange adjustment	-14.960	0
Net profit/loss for the year	-65.840	0
Revaluations at 31 December 2015	-80.800	0
<b>Carrying amount at 31 December 2015</b>	<b>314.474</b>	<b>0</b>

## Notes to the Annual Report

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
LP- Institute US LLC Leadership pipeline	USA	75%	223.095	-118.405
Institute Norge AS	Norge	100%	91.379	52.565
			<u>314.474</u>	<u>-65.840</u>

### 5 Equity

	Selskabs- kapital	Reserve for net re-valuation under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2015	500.000	0	456.043	0	956.043
Net profit/loss for the year	0	52.565	-55.548	400.000	397.017
<b>Equity at 31 December 2015</b>	<b>500.000</b>	<b>52.565</b>	<b>400.495</b>	<b>400.000</b>	<b>1.353.060</b>

The share capital consists of 100 shares of a nominal value of kr. 100. No shares carry any special rights.

### 6 Related parties and ownership

#### Ownership

According to the company's register of shareholders, the following shareholders hold a minimum of 5% of the voting rights or a minimum of 5% of the share capital:

Sirrah A/S, 2950 Vedbæk, Danmark  
 Stephen Drotter, Carlsbad USA,  
 Great Performance ApS, 1256 København, Danmark

## Accounting policies

The annual report of Leadership Pipeline Institute A/S for 2015 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 applied last year.

The annual report for 2015 is presented in Danish kroner

As 2015 is the Company's first reporting period, no comparatives are included.

### **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's 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's 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 instalments 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.

### **Revenue**

Revenue from the sale of goods consulting and royalty is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

### **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

## **Accounting policies**

### **Financial income and expenses**

Financial income and expenses include interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the onaccount taxation scheme.

### **Balance sheet**

#### **Other securities and investments, fixed assets**

#### **Stocks**

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

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

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

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

#### **Income tax and deffered 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 on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the taxation rules and taxation rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

#### **Liabilities**

Financial liabilities also include the capitalised residual finance lease commitment.

Other debts are measured at net realisable value.