



# Challenging Learning ApS

c/o BUUS JENSEN, Lersø Parkallé 112, 2100 Copenhagen

Company reg. no. 36 41 77 06

## Annual report

1 September 2015 - 31 August 2016

The annual report have been submitted and approved by the general meeting on the 5 January 2017.

  
James Andrew Nottingham  
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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## **Management's report**

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The managing director has today presented the annual report of Challenging Learning ApS for the financial year 1 September 2015 to 31 August 2016.

The annual report has been presented in accordance with the Danish Financial Statements Act.

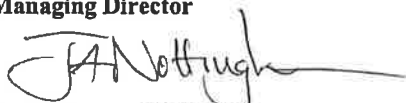
I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 August 2016 and of the company's results of its activities in the financial year 1 September 2015 to 31 August 2016.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting

Copenhagen, 5 January 2017

**Managing Director**

A handwritten signature in black ink, appearing to read 'JA Nottingham', with a long horizontal flourish extending to the right.

James Andrew Nottingham

## **The independent auditor's reports**

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### **To the shareholders of Challenging Learning ApS**

#### **Report on the annual accounts**

We have audited the annual accounts of Challenging Learning ApS for the financial year 1 September 2015 to 31 August 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

#### **The management's responsibility for the annual accounts**

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control considered necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express an opinion on the annual accounts 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 annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts 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 company'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 the overall presentation of the annual accounts.

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.

## **The independent auditor's reports**

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### **Opinion**

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 August 2016 and of the results of the company's operations for the financial year 1 September 2015 to 31 August 2016 in accordance with the Danish Financial Statements Act.


### **Statement on the 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 performed audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Copenhagen, 5 January 2017

### **BUUS JENSEN**

State Authorised Public Accountants  
Company reg. no. 16 11 90 40



Michael Markussen  
State Authorised Public Accountant

## **Company data**

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### **The company**

Challenging Learning ApS  
c/o BUUS JENSEN  
Lersø Parkallé 112  
2100 Copenhagen

Company reg. no. 36 41 77 06  
Established: 27 October 2014  
Domicile: Copenhagen  
Financial year: 1 September 2015 - 31 August 2016

### **Managing Director**

James Andrew Nottingham

### **Auditors**

BUUS JENSEN, Statsautoriserede revisorer

## **Management's review**

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### **The principal activities of the company**

The principal activity of the Company is providing consultancy within professional development training and resources for people working with children and teenagers.

### **Unusual matters**

The Company has not been affected by unusual circumstances during the financial year.

### **Uncertainties as to recognition or measurement**

It is estimated that no specific uncertainties are related to recognition and measurement of the financial items in the annual accounts.

### **Development in activities and financial matters**

The results from ordinary activities after tax are DKK 1.326.000 against DKK -168.000 last year. The management consider the results satisfactory.

### **The expected development**

The management expects a positive result for the coming financial year.

### **Events subsequent to the financial year**

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

## **Accounting policies used**

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The annual report for Challenging Learning ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The annual accounts are presented in Danish kroner (DKK).

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

### **Translation of foreign currency**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.



## **Accounting policies used**

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Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

### **The profit and loss account**

#### **Gross profit**

The gross profit comprises the net turnover, direct cost of services and other external costs.

Net turnover from the sale of services is recognised in the result concurrently with delivery of the services. Thus, the net turnover corresponds to the sales value of the completed services of the year (production method). Recognition at sales value requires that the total income, the total costs and the scope of completion on the balance sheet date can be determined reliably, and that it is likely that payment will be received by the company. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales include costs for the purchase of consumables, subcontractors etc. less discounts.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises and loss on debtors.

#### **Staff costs**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

#### **Net financials**

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

#### **Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

## **Accounting policies used**

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The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

### **The balance sheet**

#### **Inventories**

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

#### **Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

#### **Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

#### **Available funds**

Available funds comprise cash at bank.

#### **Equity**

##### **Dividend**

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

#### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

## **Accounting policies used**

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According to the rules of joint taxation, Challenging Learning ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. Deferred tax liabilities and assets are recognised by 22 %.

### **Liabilities**

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

### **Accrued expenses and deferred income**

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

## Profit and loss account

All amounts in DKK.

<u>Note</u>	1/9 2015 - 31/8 2016	27/10 2014 - 31/8 2015
<b>Gross profit</b>	<b>3.202.265</b>	<b>573.205</b>
1 Staff costs	-1.543.287	-788.223
<b>Operating profit</b>	<b>1.658.978</b>	<b>-215.018</b>
Interest, group enterprises	2.671	0
Other financial income	40.451	8
Other financial costs	-2.466	0
<b>Results before tax</b>	<b>1.699.634</b>	<b>-215.010</b>
2 Tax on ordinary results	-373.744	47.000
<b>Results for the year</b>	<b>1.325.890</b>	<b>-168.010</b>
<b>Proposed distribution of the results:</b>		
Dividend for the financial year	350.000	0
Allocated to results brought forward	975.890	0
Allocated from results brought forward	0	-168.010
<b>Distribution in total</b>	<b>1.325.890</b>	<b>-168.010</b>

## Balance sheet 31 August

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All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2016</u>	<u>2015</u>
<b>Current assets</b>			
Manufactured goods and trade goods		77.430	165.926
Inventories in total		<u>77.430</u>	<u>165.926</u>
Trade debtors		1.683.664	569.803
Amounts owed by group enterprises		2.546.736	250.000
Deferred tax assets		0	47.000
Other debtors		40.000	206.580
Accrued income and deferred expenses		<u>1.999</u>	<u>5.601.371</u>
Debtors in total		<u>4.272.399</u>	<u>6.674.754</u>
Available funds		<u>3.736.127</u>	<u>7.841.289</u>
<b>Current assets in total</b>		<u><b>8.085.956</b></u>	<u><b>14.681.969</b></u>
<b>Assets in total</b>		<u><b>8.085.956</b></u>	<u><b>14.681.969</b></u>

## Balance sheet 31 August

All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2016</u>	<u>2015</u>
<b>Equity</b>			
3	Contributed capital	50.000	50.000
4	Results brought forward	1.007.880	31.990
5	Proposed dividend for the financial year	350.000	0
	<b>Equity in total</b>	<b><u>1.407.880</u></b>	<b><u>81.990</u></b>
<b>Liabilities</b>			
	Prepayments received from customers	0	2.781.668
	Trade creditors	77.165	372.144
	Debt to group enterprises	770.820	72.304
	Corporate tax	326.744	0
	Other debts	527.635	4.033.362
	Accrued expenses and deferred income	<u>4.975.712</u>	<u>7.340.501</u>
	<b>Short-term liabilities in total</b>	<b><u>6.678.076</u></b>	<b><u>14.599.979</u></b>
	<b>Liabilities in total</b>	<b><u>6.678.076</u></b>	<b><u>14.599.979</u></b>
	<b>Equity and liabilities in total</b>	<b><u>8.085.956</u></b>	<b><u>14.681.969</u></b>

## 6 Contingencies

## Notes

All amounts in DKK.

	1/9 2015 - 31/8 2016	27/10 2014 - 31/8 2015
<b>1. Staff costs</b>		
Salaries and wages	1.481.921	782.446
Pension costs	40.000	0
Other costs for social security	21.366	5.777
	<b>1.543.287</b>	<b>788.223</b>
<b>2. Tax on ordinary results</b>		
Tax of the results for the year	326.744	0
Adjustment for the year of deferred tax	47.000	-47.000
	<b>373.744</b>	<b>-47.000</b>
<b>3. Contributed capital</b>		
Contributed capital 1 September 2015	50.000	50.000
	<b>50.000</b>	<b>50.000</b>
<b>4. Results brought forward</b>		
Results brought forward 1 September 2015	31.990	0
Profit or loss for the year brought forward	975.890	-168.010
Capital contribution	0	200.000
	<b>1.007.880</b>	<b>31.990</b>
<b>5. Proposed dividend for the financial year</b>		
Dividend for the financial year	350.000	0
	<b>350.000</b>	<b>0</b>

## 6. Contingencies

### Joint taxation

Challenging Learning Scandinavia ApS, company reg. no 36686790 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

## Notes

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All amounts in DKK.

### **Contingencies (continued)**

#### **Joint taxation (continued)**

The liability relating to obligations in connection with corporation tax represents an estimated maximum of DKK 0 thousand. The liability relating to obligations in connection with withholding taxes represents an estimated maximum of DKK 0 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.