BUUS JENSEN

Challenging Learning Scandinavia ApS

c/o BACH Advokatpartnerselskab, Bredgade 3, 1260 København K

Company reg. no. 36 68 67 90

Annual report

18 March - 31 August 2015

The annual report has been submitted and approved by the general meeting on the 21 January 2016.

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 %.

Contents

Management's report

The managing director has today presented the annual report of Challenging Learning Scandinavia ApS for the financial year 18 March to 31 August 2015.

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 2015 and of the company's results of its activities in the financial year 18 March to 31 August 2015.

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

København K, 21 January 2016

Managing Director

James Andrew Nottingham

The independent auditor's reports

To the shareholder of Challenging Learning Scandinavia ApS

Report on the annual accounts

We have audited the annual accounts of Challenging Learning Scandinavia ApS for the financial year 18 March to 31 August 2015, 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 as it determines 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

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 2015 and of the results of the company's operations for the financial year 18 March to 31 August 2015 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 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, 21 January 2016

BUUS JENSEN
State Authorised Public Accountants
CVR-nr. 16 11 90 40

Michael Markussen
State Authorised Public Accountant

Company data

The company	Challenging Learning Scandinavia ApS c/o BACH Advokatpartnerselskab Bredgade 3 1260 København K
	Company reg. no.: 36 68 67 90 Established: 18 March 2015 Domicile: Copenhagen Financial year: 18 March - 31 August
Managing Director	James Andrew Nottingham
Auditors	BUUS JENSEN, Statsautoriserede revisorer
Subsidiary	Challenging Learning ApS, Copenhagen

The principal activities of the company

The principal activity of the company is being a holding company.

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 -178.000. The financial year consists of 5 months of operations. The management consider the results unsatisfactory. However, the results must be seen in the light of the fact that it is the Company's first financial year.

The equity represents less than half of the subscribed capital on the balance sheet date, and the Company is therefore subject to the Danish Companies Act section 119 regarding loss of capital. The management expects to recover the loss of capital by positive earnings the following financial year.

The parent company JN Partnership Limited will financially support the Company throughout the following financial year.

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

The annual report for Challenging Learning Scandinavia 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.

The profit and loss account

Other external costs

Other external costs comprise costs for administration.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

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.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

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

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

In connection with the take over of new group enterprises, the acquisition method is applied, by which the taken over companies' assets and liabilities are measured at fair value at the time of take over. Provisions are made for covering costs in connection with decided restructuring projects in the taken over enterprise in connection with the take-over. The tax effect of the revaluation carried out is taken into consideration, cf. the below description of goodwill.

Positive differences (goodwill) between the acquisition value and the fair value of the assets and liabilities taken over, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over the estimated financial life. The financial life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategically taken over companies with a strong market position and a long range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

Available funds

Available funds comprise cash at bank and in hand.

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.

Challenging Learning Scandinavia ApS is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Challenging Learning Scandinavia 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.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or “Payable corporate tax".

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.

Profit and loss account

Note		18/3 - 31/8 2015
	Other external costs	-10.420
	Gross results	**-10.420**
	Operating profit	**-10.420**
	Income from equity investments in group enterprises	-168.010
	Results before tax	**-178.430**
	Tax on ordinary results	0
	Results for the year	**-178.430**
	Proposed distribution of the results:	
	Allocated from results brought forward	-178.430
	Distribution in total	**-178.430**

Balance sheet

Note	**Assets**	31/8 2015
	Fixed assets	
1	Equity investments in group enterprises	81.990
	Financial fixed assets in total	81.990
	Fixed assets in total	**81.990**
	Current assets	
	Cash funds	48.330
	Current assets in total	**48.330**
	Assets in total	**130.320**

Balance sheet

	Equity and liabilities	
Note		31/8 2015
	Equity	
2	Contributed capital	50.000
3	Results brought forward	-178.430
	Equity in total	**-128.430**
	Liabilities	
	Trade creditors	8.750
	Debt to group enterprises	250.000
	Short-term liabilities in total	258.750
	Liabilities in total	**258.750**
	Equity and liabilities in total	**130.320**

4 Contingencies

	18/3 - 31/8 2015

1. Equity investments in group enterprises

Acquisition sum, opening balance 18 March 2015	0
Additions during the year	50.000
Cost 31 August 2015	**50.000**
Revaluations, opening balance 18 March 2015	0
Results for the year before goodwill amortisation	-168.010
Capital contribution	200.000
Revaluation 31 August 2015	**31.990**
Book value 31 August 2015	**81.990**

The financial highlights for the enterprises according to the latest approved annual reports

	Share of ownership	Equity DKK	Results for the year DKK	Book value at Challenging Learning Scandinavia ApS DKK
Challenging Learning ApS, Copenhagen	100 %	81.990	-168.010	81.990

2. Contributed capital

Contributed capital 18 March 2015	50.000
	50.000

3. Results brought forward

Results brought forward 18 March 2015	0
Profit or loss for the year brought forward	-178.430
	-178.430

4. Contingencies

Joint taxation

The company is the administration company of the group of companies 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.

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.