

Type of business and where it is operated

Læringsverkstedet Gruppen AS is a knowledge company located in the municipality of Ullensaker. The company is the management company in the Group whose main strategy is work related to child development and learning. The company's main focus area is the operation of preschools, but it also operates as a publisher of educational materials and courses in child development and learning. The goal is to develop a quality concept in the field of child development and learning to create market demand.

Læringsverkstedet Gruppen AS is the parent company of Læringsverkstedet AS, which is an operating and real estate company for preschools, as well as Læringsverkstedet Prosjektutvikling AS, which is a property development company related to preschools. Both companies are located in the municipality of Ullensaker. The Læringsverkstedet AS Group operated 100 preschools as of 31 December 2015 in 42 different municipalities. There were approximately 7,000 children in the preschools.

True and fair overview of development and profits

The company

The company had an increase in turnover of about 20%. Most of the turnover is the sale of services to Group companies and the increase reflects the Group's increase in activity. Further growth is expected in the years to come and in 2015, the organisation was expanded to handle this. This has affected the margins and profits for 2015.

The company has an equity ratio of 12.5% down from 2014. The company is a formal counterparty in the Group account system, and net deposits from the participants significantly affect the balance sheet. Liquidity is satisfactory.

The Group

The Group had a total turnover increase of approximately 20%. Profits before tax margin are 6% versus 5.4% in 2014. The margin improvement is affected by a slightly higher subsidy level and a reduction in the overall interest rate level.

The Group has an equity ratio of approximately 7.2%, a solid increase from 2014. This is mainly due to the profit for the year.

The Group's liquidity is good. The difference between operating income and cash flow from operating activities is mainly related to depreciation and interest payments.

In 2015, the Group completed the construction of two new preschools which opened in August 2015. At year's end, construction of three new preschools was ongoing. There were acquisitions of seven preschools and the start-up and acquisition of an additional three preschools.

The Board believes that the annual accounts give a true and fair view of the company's and the Group's assets and liabilities, financial position and results.

Financial and operational risk

The Group's financial risk is deemed to be low. Mainly, direct investments in preschools are financed through long-term loans at Husbanken, while other types of long-term loans are primarily at Sparebanken Sør and Danske Bank. The Group has taken out fixed interest loans totalling approximately NOK 860 million with an interest rate of 2.1% to 5.1%. This helps to reduce financial risk.

The Group has good, long-term customer relationships with our financing partners, and considers credit risk and liquidity risk to be low.

Market risk may include a subsidy scheme for private preschools. The current scheme involves great variations between individual municipalities and is unpredictable from year to year.

For 2016, new rules have been adopted which are essentially a continuation of the current regulations. The biggest changes are related to the calculation of municipal pension costs and the differentiation of capital contributions based on the age of the building.

Research and development activities

The Group continuously works on the development of the paedagogical and operational concept for the Læringsverkstedet's preschools.

Continued operation

The annual accounts for 2015 were prepared on the basis of continued operations. It is hereby confirmed that there is the assumption of continued operation.

In the current year, continued growth in turnover is expected, and a margin picture approximately as for 2014 and 2015.

Work environment

Sick leave at the company was 1% in 2015.

The Group companies are IA enterprises and have a strong focus on sick leave and measures in this area. The Group will continue its goal of reducing the level of sick leave in 2016.

No serious workplace accidents have occurred or been reported during the year which resulted in major damage or personal injury. The work environment is considered to be good, and ongoing measures are being taken for improvements.

Equality and anti-discrimination

Læringsverkstedet Gruppen AS has 46 employees, of which 14 are men.

The Group undertakes active and targeted measures for gender equality in the company. When recruiting, both internally and externally, personal qualifications rather than gender are prioritised, and the underrepresented gender will be increasingly encouraged to apply. In this way, the company will try to increase the proportion of men in the job categories where this is particularly low.

Equal conditions are applied for all applicants for positions as well as employees in terms of recruitment, pay and working conditions, promotion, development opportunities and protection against harassment in accordance with the Anti-Discrimination Act. Salary and working conditions are determined according to collective agreements and are free of subjective assessment to ensure equal treatment.

The preschools have a universal design so that they are accessible for those with disabilities. The staff in preschools work in a shift scheme whereby two adults may have sole responsibility of the children. If one adult has to leave the group of children, the remaining adult is required to be sufficiently capable of ensuring his/her own safety and that of the children.

External environment

Neither the company nor the Group's activities are regulated through licences or directives. The company and the Group pollute the external environment to an extremely limited degree. All business areas participate in source sorting schemes. In kindergartens, children are taught to source sort. When purchasing and transporting goods, the company seeks to find suppliers who actively work with environmental measures. During construction of new buildings, we, as the builder, require that contractors have their own environmental plans for their work.

Statement of annual accounts and allocation of profit

In the opinion of the Board, the submitted income statement and balance sheet with notes express the company and the Group's earnings for 2015 and financial position at year-end. There are no circumstances after the end of the financial year that are of significance to the assessment of the accounts.

For 2015, the company had a profit of NOK 1,864,235 which is proposed for use as follows:

Transferred other equity NOK 1,864.235
Total allocated NOK 1,864.235

Jessheim, 23 May 2016

(Sign)
Gunnar Johansson
Board Chairman

(Sign)
Torill Eskeland
Board Member

(Sign)
Daniel Nordlund Wellendorf
Board Member

(Sign)
Tonje Kristoffersen
Board Member

(Sign)
Lise Eikås
Board Member

(Sign)
Hans Jacob Sundby
Board Member/CEO

Læringsverkstedet Gruppen AS

	Note	2015	2014
INCOME STATEMENT			
REVENUE			
Revenue from sale	11	57 260 552	46 707 311
Other income	11	1 498 398	1 865 527
TOTAL REVENUE		58 758 950	48 572 838
OPERATING EXPENSES			
Cost of goods sold		215 257	1 124 984
Employee benefit expenses	1	32 292 913	26 999 677
Depreciation of fixed assets and intangible assets	3	3 808 912	1 817 302
Other operating expenses	1	20 505 973	12 730 808
TOTAL OPERATING EXPENSES		56 823 055	42 672 771
OPERATING PROFIT		1 935 896	5 900 068
FINANCIAL INCOME AND EXPENSES			
Income from investment in subsidiaries		-	4 100 000
Interest income from group companies		2 106 362	1 008 311
Interest income		548 292	552 567
Other financial income		1 090 704	16 111
Interest paid to group companies		2 545 498	1 388 685
Interest paid		603 861	600 982
Other financial expenses		390	-
NET FINANCE		595 609	3 687 322
PROFIT BEFORE INCOME TAX		2 531 505	9 587 390
Income tax expense	6	667 270	1 541 253
PROFIT AFTER INCOME TAX		1 864 235	8 046 137
NET PROFIT		1 864 235	8 046 137
ATTRIBUTABLE TO			
Other equity	8	1 864 235	8 046 137
TOTAL		1 864 235	8 046 137

Læringsverkstedet Gruppen AS

	Note	2015	2014
BALANCE SHEET 31.12			
ASSETS			
NON CURRENT ASSETS			
System development	3	6 392 812	7 353 716
TOTAL INTANGIBLE ASSETS		6 392 812	7 353 716
FIXED ASSETS			
Land, buildings and other property	3, 10	21 700 786	20 965 439
Fixture and fittings	3, 10	5 903 272	3 200 605
TOTAL FIXED ASSETS		27 604 057	24 166 044
FINANCIAL ASSETS			
Investment in subsidiaries	12	1 055 040	1 055 040
Loan to group companies	7, 9	33 664 312	24 990 045
Investment in shares and units		1 421 072	1 420 072
Bonds and other receivables		-	32 915
TOTAL FINANCIAL ASSETS		36 140 424	27 498 071
TOTAL NON CURRENT ASSETS		70 137 294	59 017 831
CURRENT ASSETS			
INVENTORIES			
Stock of inventories and other	4	904 281	948 999
TOTAL INVENTORIES		904 281	948 999
RECEIVABLES			
Accounts receivable - group companies	7	1 466 805	1 927 645
Other short term receivables		1 788 136	931 656
Receivables group companies	7	11 026 808	8 664 868
TOTAL RECEIVABLES		14 281 749	11 524 169
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	2	82 439 745	38 501 925
TOTAL CASH AND CASH EQUIVALENTS		82 439 745	38 501 925
TOTAL CURRENTS ASSETS		97 625 774	50 975 092
TOTAL ASSETS		167 763 069	109 992 924

Læringsverkstedet Gruppen AS

	Note	2015	2014
EQUITY AND LIABILITIES			
EQUITY			
OWNERS EQUITY			
Share capital	5, 8	100 000,00	100 000,00
ACCUMULATED PROFITS			
Other equity	8	21 012 527,00	19 148 291,00
TOTAL EQUITY	8	21 112 527,00	19 248 291,00
LIABILITIES			
PROVISIONS			
Deferred tax	6	552 155,00	333 005,00
OTHER NON CURRENT LIABILITIES			
Liabilities to financial institutions	10	8 930 418,00	9 501 678,00
Other long term liabilities	7	0,00	200 000,00
TOTAL OTHER NON CURRENT LIABILITIES		8 930 418,00	9 701 678,00
CURRENT LIABILITIES			
Accounts payable	7	1 684 673,00	2 563 320,00
Accounts payable - group companies	7	319 705,00	2 452 672,00
Income tax payable	6	448 119,00	1 476 838,00
public duties payable		3 476 969,00	2 967 152,00
Liabilities to group companies	7	127 040 278,00	67 255 996,00
Other current liabilities		4 198 224,00	3 993 971,00
TOTAL CURRENT LIABILITIES		137 167 969,00	80 709 949,00
TOTAL LIABILITIES		146 650 542,00	90 744 632,00
TOTAL EQUITY AND LIABILITIES		167 763 069,00	109 992 924,00

Jessheim 14.04.2016
Board of Læringsverkstedet Gruppen AS

(sign)
Gunnar Johanson
Chairman of board

(sign)
Hans Jacob Sundby
Board member/CEO

(sign)
Lise Eikås
Board member

(sign)
Torill Eskeland

(sign)
Daniel Nordlund Wellendorf

(sign)
Tonje Kristoffersen

NOTES TO THE FINANCIAL STATEMENT 2015

Note 0 Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Estimates

The preparation of financial statements in accordance with the Accounting Act requires the use of estimates. In addition, the appliance of the company's accounting principle requires the management's use of assessments. Areas that largely requires such assessments, high degree of complexity, or areas where assumptions and estimates is material for the financial statement are described in the notes.

Revenue

Revenues from sale of services are recognized in the income statement at the time of delivery.

Current assets / current liabilities

Current assets and current liabilities consists normally of items that is due within one year after the balance sheet date. Current assets is valued at the lower of cost and fair value.

Current liabilities consist normally of liability that is due one year after the balance sheet date.

Non current assets / non current liabilities

Non current assets consist of assets destined for lasting ownership and use. Non current assets is valued at cost. Fixed assets are capitalized and depreciated over the assets estimated economic useful life.

Non current liabilities consist of liability that is due more than a year after the balance sheet date, however next year's installment is not reclassified as current liability.

Currency

Monetary items in a foreign currency are translated at the exchange rate on the balance sheet date.

Pension

Contribution plans

In contribution plans, the company pays a contribution to an insurance company. Once the contribution is paid, the company has no further payment commitments. The contribution is booked as employee benefit expense. If a prepaid contribution is made, this is capitalized as an asset (pension fund) to the extent that the contribution can be refunded or reduce future payments.

Tax

The tax expense consists of the tax payable and changes to deferred tax. Income tax payable are calculated based on what is expected to be paid to the tax authorities when applying the tax rates that is decided on the balance sheet date.

Deferred tax is assessed and recorded based on the tax rates that is expected to be applied in the period when the asset is realized or the liability fulfilled, based on tax rates and tax rules in effect on the balance sheet date.

Deferred tax/tax assets is calculated on all tax increasing/tax reducing temporary differences that exist as of 31.12

Investment in other companies

With the exception for short-term investment in listed shares, acquisition cost is used as principle for investment in other companies. Acquisition cost is increased when funds is supplied trough capital increase or when a group contribution is given to a subsidiary. Distributions are as a basis recognized as other financial income. Distributions that exceeds share of retained earnings after the acquisition is booked as a reduction of acquisition cost. Dividend/group contribution from subsidiaries is recognized in the same year as they are recognized in the financial statement of the provider. Dividend from other companies is recognized as financial income when it is decided.

Write down of non currents assets

If there is indications that the carrying value of a non current asset exceeds fair value, an incurrence test is performed. The test is performed at the lowest level where the non current asset has independent cash flows. If carrying value is higher than both net realizable value and value in use (discounted cash flows as continuing use), the asset is written down to the highest of net realizable value and value in use. Impairment losses, with the exception of impairment of goodwill, is reversed if the reason for the impairment loss disappears in a latter period.

Subsidiaries and investment in associates

Subsidiaries are valued at cost in the company accounts. The investment is valued at cost of the shares, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a latter period.

Dividend, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends/group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

Change of accounting principle

The presentation of net group deposit in the group cash pool has been changed.

Bank deposits in group cash pool

Læringsverkstedet Gruppen AS is the formal counterparty in the group cash pool. The groups net deposit is formally Læringsverkstedet Gruppen AS deposit in the bank and is presented as cash and cash equivalents.

The participants deposit or withdrawal in the cash pool is presented as payables or receivables in Læringsverkstedet Gruppen AS, see note 2,7 and 10.

The presentation has been changed in 2015 and the 2014 numbers is changed accordingly.

Læringsverkstedet Gruppen AS

Note 1 Specification of salary and personnel cost

1.1 Specification of cost:

	2015	2014
Salary	24 778 124	18 439 928
Pension costs	1 145 082	977 606
+ Payroll tax	3 714 589	2 855 299
+ other benefits	2 655 117	4 676 844
= Total	32 292 913	26 999 677
 Average full-time employees	 39	 33

1.2 Management remuneration

Total cost to chief executive officer is kr. 1 461 114,-

Regarding board remuneration, see note 4 to the group accounts.

The company has no agreement with CEO or chair of the board regarding payment in case of resignation or change of the employee relationship or board membership. Neither does it exist any pension agreement, bonus agreement, options or other similar economic benefits; with the exception of ordinary pension and bonus agreements, that also includes other employees.

1.3 Specification of auditor's fee:

Cost taken in 2015 is 180 000 for statutory audit fee and kr 70 740 for other services.

1.4 Required occupational pension / pension cost

The company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenstepensjon"). The company's pension scheme meets the requirements of that law.

Note 2 Bank deposits

Out of the company's liquid funds, kr 1 380 966 is restricted tax deduction funds.

From 2014 a group account is established for Læringsverkstedet Group. Net deposit in the group account is Læringsverkstedet Gruppen AS deposit towards the bank. Those companies that is included in the group account formally has its balance towards Læringsverkstedet Gruppen AS. As of 31.12.2015 total net balance on all accounts that is included in the group account is kr. 78 811 632.

Also see note 7.

Note 3 Fixed assets

	Property	Fixture /fittings	System develop.	Work in progress	Land	Total
Acquisition cost 1.1	9 012 054	7 838 368	7 778 376	815 577	14 160 720	39 605 095
Additions		4 606 588	583 603	1 095 830		6 286 022
Disposals					0	0
Acquisition cost 31.12	9 012 054	12 444 956	8 361 979	1 911 407	14 160 720	45 891 117
Acc. Depreciation 1.1	3 022 913	4 637 762	424 660			8 085 335
Depreciation for the year	360 482	1 903 922	1 544 507			3 808 911
Acc. Depreciation 31.12	3 383 395	6 541 684	1 969 167	0	0	11 894 246
Net carrying value 31.12	5 628 659	5 903 272	6 392 812	1 911 407	14 160 720	33 996 871
Useful economic life	25 years	3-6 years	5 years	Not depr.	Infinite	
Amortisation plan	linear	linear	linear			

Læringsverkstedet Gruppen AS

Note 4 Inventories

Inventory of finished goods is valued at the lower of acquisition cost (FIFO principle) and fair value. No provision for obsolete inventory has been made as of 31.12.2015

	2015	2014
Finished goods	904 281	948 999

Note 5 Share capital

The company's share capital, kr 100 000, is dividend on 100 000 shares with a face value of kr 1,-. HJR Holding AS owns all the shares.

Note 6 Income taxes

Specification of the difference between the financial statement result and taxable result

Profit before income tax	2 531 505
+ Permanent differences	103 468
+ change in temporary differences	-975 271
 = Tax base	 1 659 702

Specification of income tax expense

Tax payable	448 119
+ Change in deferred tax	219 151
+ Correction of taxes payable from prior period	
 = Total income tax expense	 667 270

Specification of calculation of deferred tax

	31.12.2015	31.12.2014	Change
Fixed assets	1 126 875	1 232 704	105 829
Liability, foreign currency	1 088 769		-1 088 769
+ Receivables	-32 694	-32 694	-
+ Receivables	-5 000	-5 000	-
+ Gains and losses account	30 672	38 340	7 668
 = Net temporary differences	 2 208 622	 1 233 350	 -975 272
 Deferred tax / tax asset	 552 155	 333 005	 -219 151

Læringsverkstedet Gruppen AS

Note 7 Intercompany balances

	2015	2014
Receivable group companies		
Long term receivable	33 664 312	24 990 045
Accounts receivable	1 466 805	1 927 645
Short term receivable	4 233 519	8 612 634
Short term receivable (group account)	6 793 289	52 234
Total receivables group companies	46 157 925	35 582 558
Payables group companies		
Short term payables	382 150	382 150
Short term payables (group account)	126 658 128	66 873 846
Long term payables		
Accounts payable	319 705	2 452 672
Total payables group companies	127 359 983	69 708 668

Group account items represents the total of the participants deposit or withdrawal.

Note 8 Equity

	Share Capital	Other equity	Total
Equity 01.01.	100 000	19 148 292	19 248 292
+ Net profit		1 864 235	1 864 235
= Equity 31.12.	100 000	21 012 527	21 112 527

Note 9 Receivables

Receivable that is due more than 1 year after the end of the accounting year.

	2015	2014
Loan to group company	33 664 312	24 990 045

Note 10 Liabilities and securities

Pledged debt	2015	2014
Liabilities to financial institutions	8 930 418	9 501 678
= Total pledged debt	8 930 418	9 501 678
Pledged assets		
Property	21 700 786	20 965 439
Fixture and fittings	5 903 272	3 200 605
Accounts receivable	-	-
= Total pledged assets	27 604 058	24 166 044
Debt with more than five years maturity	2015	2014
Liabilities to financial institutions	6 074 418	6 645 378

Average interest rate on liabilities to financial institutions was 5% in 2015.

The company's fixture and fittings and accounts receivable is pledged for part of the financial liabilities in the subsidiary Læringsverkstedet AS.

Læringsverkstedet Gruppen AS

Note 11 Revenue – segments

The company's revenue is mainly sale of services to Norway, and is distributed;

Segments	205	2014
Sale of finished goods / toys	12 396	847 159
Other revenue group - custodian	6 373 514	5 094 852
Sald of administrative services to group companies	50 939 920	41 005 307
Rent	1 433 120	1 625 520
Total revenue	58 758 950	48 572 838

Note 12 Subsidiaries

See group financial statement for information about subsidiaries.

Income Statement - Group

Læringsverkstedet Gruppen AS - Group

	Note	2015	2014
Revenue and operating cost			
Revenue from sale	1	196 934 608	171 668 153
Other income	1	938 612 077	793 218 710
Total Revenue		1 135 546 685	964 886 863
Cost of goods sold		8 796 749	10 844 488
Employee benefits expense	3	807 662 711	699 526 600
Depreciation of fixed assets and intangible assets	4	66 303 410	51 445 386
Other operating expenses	3	145 557 860	113 020 728
Total operating expenses		1 028 320 730	874 837 202
Operating profit		107 225 955	90 049 660
Financial income and expense			
Interest income		1 215 952	1 884 617
Finance income		1 791 799	40 065
Interest paid		41 239 873	38 030 444
Finance expense		5 283	58 859
Net finance		-38 237 405	-36 164 621
Profit before income tax		68 988 550	53 885 039
Income tax expense	11	16 926 763	13 874 012
Profit after income tax		52 061 787	40 011 027
Net profit	7	52 061 787	40 011 027

Læringsverkstedet Gruppen AS - Group

Balance sheet - Group

Læringsverkstedet Gruppen AS - Group

	Note	2015	2014
Assets			
Non Current Assets			
Intangible assets			
IT systems and system development	4	6 509 153	7 353 716
Goodwill	4	91 759 159	79 918 868
Total intangible assets		98 268 311	87 272 584
Fixed assets			
Land, buildings and other property	4, 9	1 532 437 785	1 236 898 377
Fixtures and fittings	4, 9	21 056 644	19 318 960
Total fixed assets		1 553 494 428	1 256 217 338
Financial assets			
Loan to group companies	6, 10	45 396 237	39 459 386
Investments in shares and units		1 420 072	1 420 072
Bonds		229 042	164 545
Total financial assets		47 045 352	41 044 003
Total non current assets		1 698 808 091	1 384 533 925
Current assets			
Inventories	2	904 281	948 999
Receivables			
Accounts receivable	9	11 841 150	4 371 787
Other receivables	6	44 345 842	35 294 968
Total receivables		56 186 991	39 666 755
Cash and cash equivalents	8	138 443 724	86 465 735
Total current assets		195 534 996	127 081 489
Total assets		1 894 343 088	1 511 615 413

Læringsverkstedet Gruppen AS - Group

	Note	2015	2014
Balance sheet - Group			
Læringsverkstedet Gruppen AS - Group			
	Note	2015	2014
Equity and Liabilities			
Sharecapital	5, 7	100 000	100 000
Other equity	7	136 082 295	88 918 379
Total equity		136 182 295	89 018 379
Provisions			
Pension obligations	3	19 442 320	21 223 300
Deferred tax liability	11	33 903 594	18 346 352
Other provisions for liabilities		-	2 200 000
Total provisions		53 345 914	41 769 652
Other non current liabilities			
Liabilities to financial institutions	9	1 390 353 314	1 168 102 585
Liabilities to group companies	6	-	171 751
Other long term liabilities	9	1 739 146	880 680
Total other non current liabilities		1 392 092 460	1 169 155 016
Current liabilities			
Accounts payable	6	29 969 851	28 199 805
Income tax payable	11	20 425 977	17 330 146
Public dutys payable		56 507 013	55 333 741
Dividend / group contributions		6 726 797	-
Other current liabilities		199 092 781	110 808 674
Total current liabilities	4	312 722 418	211 672 366
Total liabilities		1 758 160 792	1 422 597 034
Total equity and liabilities		1 894 343 088	1 511 615 413

Jessheim 23.05.2016
Board of Læringsverkstedet Gruppen AS

(sign)
Gunnar Johanson
Chairman of board

(sign)
Hans Jacob Sundby
Board member/CEO

(sign)
Lise Eikås
Board member

(sign)
Torill Eskeland

(sign)
Daniel Nordlund Wellendorf

(sign)
Tonje Kristoffersen

NOTES TO THE FINANCIAL STATEMENT 2015

Note 0 Accounting principles and the effect of change of principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Use of estimates

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Shares in subsidiaries and associates

Subsidiaries is companies where the parent company has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50% of the shares and can exercise control over the financial and operational strategy of the entity. Investments with 20-50% share of the votes and with significant influence, is considered an associate.

The following companys is a part of the Group 31.12;

Blia Eiendom AS
Bråvannsåsen Barnehage AS
Jokri AS
Jokri Holding AS
Eidet Barnehage AS
Fjeldebakkane barnehage AS
Flekkerøya Barnehage AS
Fidje Barnehage AS
Knapstad Barnehage AS
Krokusbakken Barnehage AS
Læringsverkstedet AS
Læringsverkstedet Hammersborg AS (empty company)
Læringsverkstedet Lødingen AS (empty company)
Læringsverkstedet Maurtua AS
Læringsverkstedet Søreidtunet AS
Læringsverkstedet Sørengkaia AS
Læringsverkstedet Tåsenløkka AS
Lervig Brygge Barnehage AS
Liantjønn Barnehage AS
Lille Frøbel AS
Midtunbråtet Barnehage AS
Nøstodden Barnehage AS
Presteheia Barnehage AS
Rabben Barnehage AS
Ravneheia barnehage SA
Sørlandsparken Barnehage AS
Store Tune Gårdsbarnehage AS
Strutsen ett Pedagogisk Barnesenter AS
Trollberget AS
Læringsverkstedet Prosjektutvikling AS
Læringsverkstedet Gruppen AS

All companies has business address Aktivitetsvegen 2, 2069 Jessheim

Consolidation principle

Subsidiaries is included from the date control is achieved.

In the consolidated financial statement the item shares in subsidiary is substituted with the subsidiaries assets and liabilities. The consolidated financial statement is completed as if the Group was one economic entity. Transactions, unrealized gains and balances between group companies has been eliminated.

Acquired subsidiaries is accounted for in the group accounts based on the parents acquisition cost. Acquisition cost is allocated to identifiable assets and liabilities in the subsidiary and recognized in the group account at fair value. The part of the price that exceeds the fair value of identifiable assets and liability is recognized as goodwill. Goodwill is treated as an residual and recognized with the share that is observed in the transaction. Excess values in the group accounts is depreciated over the expected useful lives of the acquired assets.

Revenue

Revenue from parent payment regarding preschool access are recognized on time of delivery. Revenue from contributions is recognized in accordance with received decision. Decision regarding future contribution is recognized in the period the decision applies for. Decisions regarding previously received contribution is recognized entirely at the date that the decision is received. Inntektsføring ved salg av barnehageplasser skjer på leveringstidspunktet.

Classification in the balance sheet

Non current assets consist of assets destined for lasting ownership or use. Assets related to the commodity circulation is classified as current assets. Receivables is classified as current asset if repayment will take place within one year. Liabilities is mainly classified based on analog criteria's. Next year installment on non current receivables or payables is however not classified as current assets or current liabilities.

Intangible assets and goodwill

Goodwill occur in the connection with business combination. Goodwill is depreciated over the expected useful life. External expenses related to acquisition of IT systems and system development is capitalized providing that the future economic benefit exceeds recognized value.

Fixed assets

Land is not depreciated. Other fixed assets is capitalized and depreciated linearly over the estimated useful life. Acquisition cost includes interest expense up until the building is taken into use, as well as internal management of the construction process. Depreciation of preschool buildings start at the time that the preschool starts operate. Work in progress includes expenses relating to development, regulating, planning and projecting. Work in progress is included in the category Buildings.

In the event of a change in depreciation plan the effect is distributed over the remaining depreciation period. Maintenance of fixed assets is expensed as operating cost. Additions and improvements is capitalized and depreciated in line with the fixed asset. The difference between maintenance and addition/improvement is evaluated towards the quality of the fixed asset on time of acquisition.

Other long term investment in shares

Other long term investment in shares are valued at cost. Distributions is recognized as financial income when it is decided. Distribution that materially exceeds share of retained earnings after the acquisition is recorded as a reduction of cost.

Write down of non currents assets

If there is indications that the carrying value of a non current asset exceeds fair value, an incurrence test is performed. The test is performed at the lowest level where the non current asset has independent cash flows. If carrying value is higher than both net realizable value and value in use (discounted cash flows as continuing use), the asset is written down to the highest of net realizable value and value in use.

Impairment losses, with the exception of impairment of goodwill, is reversed if the reason for the impairment loss disappears in a lather period.

Fordringer

Accounts receivable is recorded in the balance sheet less deduction for provision for expected losses. Provision for losses is based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected losses. Material economic difficulties for the customer, probability for bankruptcy or financial restructuring, and delays or defects with the payment is considered indicators that a provision must be made.

Other receivables, both current and non current, is recorded at the lowest of face value or fair value. Fair value is the present value of expected future payments. However, discounting is not made, when the effect of discounting is immaterial for the financial statements. Provision for loss is evaluated in the same manner as for accounts receivable.

Liability

Liability, with the exceptions for some provisions, is recorded at nominal value.

Pensions

The group has different pensions plans. Pension plans is funded through payments to an insurance company, with the exception for AFP (Early Retirement Plan). The group has both defined contribution and defined benefit plans.

Defined contribution plan

In contribution plans, the company pays a contribution to an insurance company. Once the contribution is paid, the company has no further payment commitments. The contribution is booked as employee benefit expense. If a prepaid contribution is made, this is capitalized as an asset (pension fund) to the extent that the contribution can be refunded or reduce future payments.

Defined benefit plan

A defined benefit plan is a pension plan that is not a defined contribution plan. A defined benefit plan is typically a pension plan that defines a pension payment that an employee will receive on retirement. Pension payments will normally depend on several factors as age, number of years employed in the company and salary. The recorded liability related to defined benefit plans is the present value of accrued future pension benefits at the balance sheet date less fair value of the pension plan assets (payments made to insurance company). The liability is adjusted for the unrecognized effects of actuarial gains/losses. The pension liability is calculated yearly by an independent actuary using a linear method.

Changes in the pension obligation due to changes in pension plans are recognized over the estimated average remaining service period. The same apply for estimation differences due to new information or changes in actuary assumptions, to the extent it exceeds 10% of the higher of defined benefit pension obligations and pension plan assets. (corridor)

Tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax is calculated on all tax increasing/tax reducing temporary differences that exist as of 31.12. Tax increasing and tax reducing temporary differences, which are reversed or can be reversed in the same period is netted. Deferred tax asset on net tax reducing differences which is not netted and tax loss brought forward are recorded on the basis of future earnings.

Deferred tax and deferred tax asset that can be recorded is presented net in the balance sheet.

Tax reduction as a result of given group contribution and income tax on received group contribution that is recorded as a reduction an investment in subsidiary, is recorded directly in the balance sheet (towards income tax payable if group contribution has affected income tax payable and as deferred tax if group contribution has affected deferred tax). Deferred tax in the financial statements of both the parent and group is recorded at nominal value.

Public grants

Investment contribution is recorded as a reduction of the assets acquisition cost, which is recorded with a net amount in the balance sheet. The contribution is indirectly taken as reduction in depreciation through reduced acquisition cost of the asset.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

Change of accounting principle

The Group has not changed its accounting principle in 2015.

Note 1 Revenue

The groups revenue is mainly related to sale in Norway and is distributed on the following areas

Segments	Group	
	2015	2014
Parent payment	198 645 400	175 033 280
Public contributions	922 928 191	778 978 367
Rent income	634 158	978 339
Revenue construction activity	8 677 638	9 595 000
Other operating revenue	4 661 298	301 877
Total Revenue	1135 546 685	964 886 863

Note 2 Inventories

	Group	
	2015	2014
Finished goods	904 281	948 999
Total inventories	904 281	948 999

Note 3 Specification of salary and personnel cost

3.1 Specification of cost:

	2015	2014
Salary	648 968 322	555 324 003
Pension cost	47 318 629	48 524 600
Payroll tax	97 260 321	83 337 938
Other benefits	14 115 436	12 340 059
Total	807 662 708	699 526 600
 Average full-time employees	 1837	 1560

3.2 Remuneration:

See note 1 in the company financial statements regarding fees to CEO.

The group has paid a total of kr 150 000 in board remuneration

3.3 Auditor 2015:

Fees to the auditor in the group is expensed with kr 923 650 for statutory audit and kr. 1 203 450 for other services.

3.4 Required occupational pension / pension cost:

The group is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of that law.

The group has a defined benefit plan for approximately 40 persons. The contributions recognized as expense in 2015 relating to this is kr. 1 370 000.

The preschool companies in the group has in addition a defined benefit plan.

All employees in the preschool companies is part of an group pension plan in accordance with local legislation ("Lov om foretakspensjon"). The pension scheme gives the right to defined future benefits, which are mainly dependent on number of years worked, salary level at time of retirement and the amount of payment from the national insurance fund. The obligations are covered through an insurance company. The employees pay a certain % share of the pension premium. This premium is recorded as a reduction in pension expenses.

LÆRINGSVERKSTEDET GRUPPEN AS - GROUP

The group has an early retirement scheme (AFP). The new early retirement scheme implemented 1. January 2011 is considered a defined benefit multi-employer pension plan. The plan is treated in the accounts as a defined contribution plan until there is reliable and sufficient information in order for the Group to account for its proportional share of pension expense, pension obligation and pension asset. The Groups obligation is therefore not included as a liability.

The Group has no retirees in the old early retirement scheme.

The Groups pension plans meets the requirement of the Norwegian law on required occupational pension («Lov om obligatorisk tjenestepensjon»).

	2015	2014
Service cost	49 876 249	44 572 972
Recognised actuarial gains/losses	2 506 024	965 858
Interest cost	3 736 255	5 367 018
Pension cost before social security tax	56 118 527	50 905 848
Social security tax	7 559 363	7 000 406
Pension cost	63 677 890	57 906 254
Herof covered by employees	9 060 655	7 791 684
	-	
Pension obligation 31.12	299 235 696	244 845 818
Pension plan asset 31.12	233 792 160	175 466 226
Net pension obligation 31.12	65 443 536	69 379 592
Unrecognised effects of actuarial gains/losses	-49 876 569	-48 156 287
Net booked pension obligation 31.12	19 442 327	21 223 305
	-	
Demographical factors		
Number of persons employed	2 330	
Actuarial assumptions;		
Discount rate	2,50 %	2,30 %
Expected return on plan assets	3,30 %	3,20 %
Expected rate of salary increase	2,50 %	2,75 %
Expected regulation of pensions in effect	0,00 %	0,00 %
Expected G-regulation	2,25 %	2,50 %

LÆRINGSVERKSTEDET GRUPPEN AS - GROUP

Note 4 Fixed assets

	ITsystem/ system dev.	Goodwill	Equipment	Buildings	Land	Total
Acquisition cost 01.01.	7 778 376	97 030 724	58 872 687	1 177 520 102	218 674 708	1 559 876 597
+ Additions	725 607	19 652 801	12 221 815	321 300 410	23 070 859	376 971 492
- Disposals		-				0
= Acquisition cost 31.12.	8 503 983	116 683 525	71 094 502	1 498 820 512	241 745 567	1 936 848 089
Acc depreciation 01.01.	424 660	17 111 856	39 503 279	161 742 145		218 781 940
+ Depreciation for the year	1 570 170	7 812 509	9 179 170	47 741 561		66 303 410
= Acc depreciation 31.12.	1 994 830	24 924 365	48 682 449	209 483 706	0	285 085 350
Net carrying value 31.12.	6 509 153	91 759 159	22 412 053	1 289 336 806	241 745 567	1 651 762 739
Useful economic life	5 year	5-15 year	5-10 year	10-25 year	Indefinite	
Amortisation plan	Linear	Linear	Linear	Linear		

Goodwill, buildings and equipment is depreciated linear over economic useful life. Depreciation on building under construction starts when the building is completed. Land is not depreciated. Goodwill related to preschools acquired after 1.1.2011 is depreciated linearly over 15 year. The management has asessed that there is high probability for a long term operation of the preschool. Based on this a depreciation period of 15 year for goodwill gives an representative useful life period for this asset. Preschools acquired before 1.1.2011 is depreciated linearly over 5 year.

Additions Goodwill 2015:

Lille Frøbel AS	kr.	6 652 524
Blia Eiendom AS (Krokusbakken)	kr.	3 716 623
Store Tune Gård AS	kr.	4 773 910
Læringsverkstedet AS, avd. Hauketo	kr.	4 500 000
Other	kr.	9 744
Total		19 652 801

Store Tune Gård was acquired on 31.12.2015, but is paid in 2016. The acquisition price is included in other short term liabilities on 31.12.2015

Note 5 Number of shares, shareholders etc

The company's share capital, kr 100 000, is dividend on 100 000 shares with a face value of kr 1,-. HJR Holding AS owns all the shares.

LÆRINGSVERKSTEDET GRUPPEN AS - GROUP

Note 6 Intercompany balances

	2015	2014
Receivable group companies		
Long term receivable group company	45 396 237	39 459 386
Short term receivable group companies	-	-
= Total receivables group companies	45 396 237	39 459 386
Liability group company		
Short term liabilities group company	-	171 751
Dividends/group contribution	6 726 797	
Accounts payable group companies	-	-
= Total liability group company	6 726 797	171 751

Note 7 Equity

	Share capital	Other equity	TOTAL
Equity 01.01.	100 000	88 918 379	89 018 379
			0
Net profit		52 061 816	52 061 816
Other changes		12 662	12 662
Provision group contribution		-4 910 562	-4 910 562
As of 31.12.	100 000	136 082 295	136 182 295

Note 8 Restricted cash

Restricted employees tax deductions	26 769 475
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Note 9 Liabilities and securities

	2015	2014
Debt with more than five years maturity		
Liability to financial institutions	931 248 934	769 297 798

Other long term liability is mainly investment contributions that is accrued.

The Groups construction loans is issued with security in a loan commitment to receive Husbank loan.

Construction loan is therefore presented as debt with more than five years maturity

	2015	2014
Booked value of pledged assets		
Property	1 373 109 133	1 200 667 227
Fixture and fittings	20 924 584	18 377 798
Accounts receivable	9 934 174	19 384 709
Total pledged assets	1 403 967 891	1 238 429 734
Secured debt		
Liability to financial institutions	1 390 353 314	1 168 102 585
Total secured debt	1 390 353 314	1 168 102 585

Average interest rate on liabilities to financial institutions was 3,16% in 2015.

Fixed interest loan

Fixed interest loans totaling MNOK 864 has interests between 2,1% to 5,1%

The fixed interest is fixed for a period of 5-20 year.

The fixed interest loans is not recorded at fair value, but to face value reduced with paid amortization.

Note 10 Long term receivables and bonds

Receivable that is due more than 1 year after the end of the accounting year;

	Saldo 31.12
Long term receivables Group	45 396 237

Note 11 Taxes

Specification of the difference between the financial statement result and taxable result

Profit before income tax	68 988 551
+ Permanent differences (inkl GW deprec. Group)	2 611 456
+ Change in temporary differences	11 819 094
- Groupcontribution - given	-6 726 797
= Taxable profit	76 692 304
- Tax loss brough forward	-4 924 565
- Less correction income previous years	-684 089
= Tax base	71 083 650

Specification of income tax expense:

Tax payable	19 192 585
+ Adjustments previous years, including tax rate change	1 702 161
+ Change in deferred tax	-3 967 981
	<hr/>
= Total income tax expense	16 926 765

Specification of temporary differences

	2015	2014	Change
Fixed assets	152 178 042	94 547 686	-57 630 356
Long term construction contracts	2 701 251	2 760 856	59 605
Receivables	-1 763 966	-573 260	1 190 706
Other accruals	-5 000	-5 000	-
Pensjon obligation	-15 566 960	-21 419 582	-5 852 622
Currency	1 088 769	-	-1 088 769
tax loss brough forward	-6 421 969	-11 346 264	-4 924 295
Gains and losses account	192 190	219 871	27 681
= Base deferred tax	132 402 357	64 184 307	-68 218 050
Deferred tax / tax asset	33 104 532	17 383 246	-15 721 286
+ not recorded deferred tax assets in group compani	799 063	963 106	164 044
Total	33 903 594	18 346 352	-15 557 242

The Group has during 2015 made several acquisitions, and balance movements also contains the effect of this.

LÆRINGSVERKSTEDET GRUPPEN AS - GROUP

Note 12 Acquisitions 2015

Acquisition preschools – business

Acquisition date:

Bergeheim	01.08.2015
Hauketo	01.04.2015

Acquisition of companies

Jokri Holding AS	100 %
Knapstad Barnehage AS	100 %
Blia eiendom AS	100 %
Lille Frøbel AS	100 %

During 2015 two merges has been made where previous subsidiaries has been merged into Læringsverkstedet AS. The mergers have no consequences for the Group. This relates to;

<u>Company:</u>	<u>Share</u>	<u>time of acquisition</u>
Randineborg Barnehage AS	100 %	2014
Konfektfabrikken AS	100%	2014

Læringsverkstedet Gruppen AS 2015
CASH FLOW STATEMENT - INDIRECT MODEL

Parent			Group	
2014	2015		2015	2014
		Cash flow from operating activities		
9 587 390	2 531 505	Profit before income tax	68 988 550	53 885 039
-414 851	-1 476 838	Income tax payable	-18 297 146	-13 525 705
-240 007		Gain/loss on sale of fixed assets	-46 786	-240 007
1 817 302	3 808 912	Depreciation	66 303 410	51 445 386
-1 931	44 718	Changes in inventories	44 718	-1 931
10 279 673	3 158 715	Changes in accounts receivables	-7 172 363	-715 832
566 066	-3 011 614	Changes in accounts payables	-3 315 954	-2 891 486
3 455 551	-925 791	Changes in other receivables	-6 572 874	18 806 369
2 201 788	777 232	Changes in other short term liabilities	22 484 379	12 995 040
0	0	Changes in other accruals	-7 670 513	-6 622 438
27 250 981	4 906 839	Net cash flow from operating activities	114 745 421	113 134 435
		Cash flow from investing activities		
355 000		Proceeds from disposal of fixed assets	70 000	355 000
-5 606 981	-5 190 191	Purchase of fixed assets	-164 263 084	-230 146 788
		Net purchase of acquisition of companies	-25 246 000	-1 601 809
-7 106 576		Purchase of intangible assets	-5 083 000	-3 376 576
22 460	-1 000	Proceeds from disposal of shares		22 460
		Net effect shares and loans	-5 936 851	-23 147 755
309 253	-1 095 829	Net cash flow from other investments	-64 497	427 245
-12 026 844	-6 287 020	Net cash from from investing activities	-200 523 432	-257 468 223
		Cash flow from financing activities		
		Proceeds from recent borrowings	202 725 000	193 510 874
-1 038 433	-571 260	Repayment of borrowings	-64 869 000	-65 400 000
66 821 612	53 043 227	Net change participants deposit in group bank account system		
-44 440 586	-200 000	Net payment (-), proceeds (+) group companies		
		Proceeds share capital		
21 342 593	52 271 967	Net cash flow from financing activities	137 856 000	128 110 874
36 566 730	50 891 786	Net change in cash and cash equivalents	52 077 989	-16 222 914
1 935 195	38 501 925	Cash and cash equivalents at 01.01	86 365 735	102 588 649
38 501 925	89 393 711	Cash and cash equivalents at 31.12	138 443 724	86 365 735

To the Annual Shareholders' Meeting of Læringsverkstedet Gruppen AS

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Læringsverkstedet Gruppen AS, which comprise the financial statements of the parent company, showing a profit of NOK 1 864 235, and the financial statements of the group, showing a profit of NOK 52 061 787. The financial statements of the parent company and the financial statements of the group comprise the balance sheet as at 31 December 2015, and the income statement and cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and the Managing Director determine 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 these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require 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 misstatement 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 and fair presentation of the financial statements 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 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 audit opinion.

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the parent company and the group Læringsverkstedet Gruppen AS as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Gardermoen, 25 May 2016

BDO

Jan Anders Aalborg
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.