

Annual Report 2018





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WHO WE ARE

"The best way to prepare for an unknown future is to create it together."

The Collective Leadership Institute (CLI) is an internationally operating non-profit organization based in Germany (Potsdam) and South Africa (Cape Town). It was founded in 2005 and is an independent initiative supporting stakeholders from the private sector, the public sector, and civil society in creating and implementing collaborative change initiatives for innovative and sustainable solutions to global, local, and societal challenges.

OUR VISION

Our vision is to empower future-oriented people to lead collectively towards a sustainable future.

Sustainability is a truly global issue. How well we meet that challenge - moving towards a more sustainable way of living - affects everybody. We believe in the principles of cooperation and collectively created solutions across sectors, institutions, nations, cultures, and generations.

OUR MISSION

With our **Competence Building**, our **Thought Leadership**, our **Transformation Support**, and our development of Change Networks, we build collaboration capacity for realizing the SDGs. We empower leaders who anchor their action in concern for the greater good and in the future of humankind on this planet - for responsible

business, people-oriented public service, and a strong civil society.

We build a global community for change by activating networks and fostering mutual support among change agents. We empower people globally to use our methodology of dialogic change and collective leadership for sustainability.

OUR VALUES

Our work is based on the core capacities for collective leadership:

- **HUMANITY:** Acknowledging diversity in the world and its peoples, and connecting with our shared humanity
- **FUTURE POSSIBILITIES:** Inspiring others and actively leading toward future possibilities
- **WHOLENESS:** Opening up to see the world as a whole and acting for the common good
- **COLLECTIVE INTELLIGENCE:** Respecting difference and communicating in a way that furthers thinking together
- **ENGAGEMENT:** Fostering a dialogic way of change and engaging different stakeholders
- **INNOVATION:** Developing our potential to spot innovative solutions to sustainability challenges

1. SUBJECT AND SCOPE OF THE REPORT

This report presents an overview of Collective Leadership Institute's (CLI) activities and financial performance in 2018, as well as the extent to which these have contributed the Institute's vision and desired impact. This report was completed in December 2019 and follows the Social Reporting Standard (SRS).

CLI's work in 2018 contributed to the four strategic pillars of **Building Competence, Thought Leadership, Transformation Support, and Change Networks**. A short look at each of these pillars and the impact achieved in 2018 shows that all of them have advanced greatly over the course of the year, which reflects positively on the strategic shifts undertaken in 2017.

Regarding our mission to **Building Competence** for Collective Leadership and Dialogic Change, we broke through the threshold of more than 500 new alumni. Our approaches are reaching more and more people far and wide and word has spread quite positively. This is supported by our **Collective Leadership Academies Network** strategy, which is gaining momentum. New CLAs were established in Egypt and Ukraine through the accreditation of Mai ElAshmawy and Maryana Zaviyska as Collective Leadership Facilitators.

The pillar of **Thought Leadership** focuses on bringing the conceptual and academic core of our methodologies into the world through publications, events, and inspiring new partnerships. One of the inspiring events of 2018 that CLI co-organized was the symposium

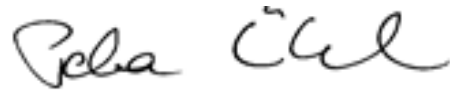
"Transformative Designs for Sustainability" at which 60 transformation experts gathered to discuss and develop specific pathways towards a more sustainable future, following core principles of CLI's methodologies.

In terms of **Transformation Support**, the year stood out regarding longer term partnerships in Egypt, Ukraine, Tunisia, and Brazil/Germany, realizing multiple SDGs at various scales by building collective leadership capacity and transforming stakeholder systems into Collaboration Ecosystems. Three of these projects are featured in this report.

Our work in stimulating **Change Networks** - specifically a movement for learning and action for collective leadership for sustainability - was advanced through continued work on our interactive, digital Collective Leadership Compass Tool, as well as through our growing networks of alumni, Specialists, Collective Leadership Academies, and partners.

The achievements in 2018 would not have been possible without dedicated people within our own organization and beyond. We are grateful to our supportive staff, partners, associates, and alumni, individuals on the ground who work with our approach and offer feedback about what works and what needs to be improved. In addition, foundations and international institutions have helped contribute to our vision to bring about change towards a more sustainable world.

We thank all of our staff and partners at the heart of this visionary collaboration. Your support strengthens our determination! Enjoy reading the Collective Leadership Institute's 2018 Annual Report.

A handwritten signature in black ink, appearing to read 'Petra Kuenkel', written in a cursive style.

Dr. Petra Kuenkel

Co-Founder and Executive Director of the
Collective Leadership Institute,
Member of the Club of Rome

- responsible for the contents of this report -

2. THE SUSTAINABILITY CHALLENGE AND CLI'S APPROACH TO ADDRESSING IT

2.1 THE SUSTAINABILITY CHALLENGE

The challenges of social, economic, and environmental sustainability have reached the entire globalized world. Today we live in a highly interconnected world and the provision of food security, inclusion of women, democratic governance, alleviation of poverty, energy reform, climate change mitigation, adaptation to demographic changes, and stabilizing economies during financial crises affect all of us.

2.2 PREVIOUS APPROACHES TO ADDRESSING THE CHALLENGE

While the world faces more and bigger challenges, there is still a lack of collaborative leadership skills. Previous approaches have concentrated on the individual or on one system, and thus miss the great potential of dialogue, cooperation, and thinking together. Too few leaders anchor their action in the concern for the greater good. However, long term and sustainable solutions to the challenges of humankind can only be found collectively.

2.3 CLI'S APPROACH

The Collective Leadership Institute stands for sustainability and **thinking, communicating, and leading together**. Our methodology focuses on the implementation of Collective

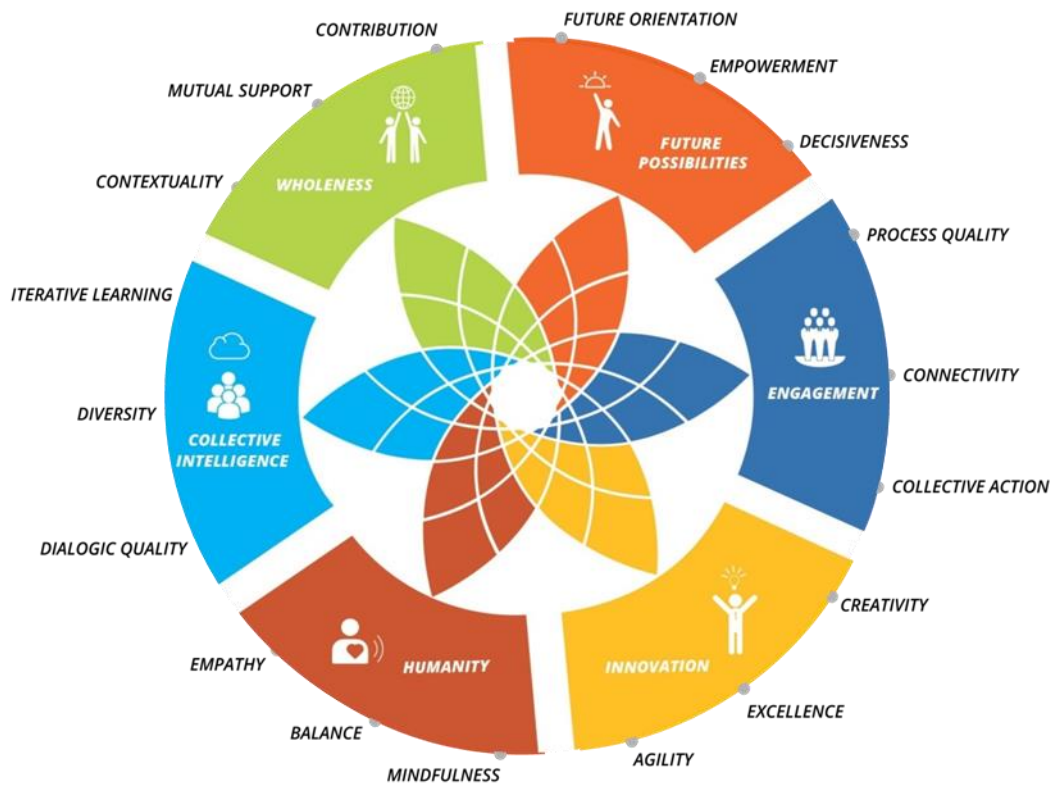
Leadership, Stakeholder Collaboration and Dialogues, and cooperation between private sector, public sector, and civil society in order to overcome today's social and global challenges. Our aim is to strengthen cooperation and partnerships for sustainable development on the national and international levels, and, in achieving this, to promote positive societal change.

Relying on more than 20 years of experience helping people to collaborate successfully, the Collective Leadership Institute has developed a practice-oriented approach to stewarding change in complex multi-stakeholder settings. **The Collective Leadership Compass (see next page) empowers leaders to navigate collaboration successfully by attending to a pattern of human competencies** in six dimensions: *Future Possibilities, Engagement, Innovation, Humanity, Collective Intelligence, and Wholeness*. The Compass is a guiding tool that empowers leaders and change agents to navigate complex settings collaboratively around values of sustainability and responsibility. It helps to implement more outcome-oriented and constructive co-creation. The Compass can be used to strengthen our individual leadership skills, to enhance the leadership capacity of a group of actors, and to shift systems of collaborating actors towards better co-creation.

2.3.1 THE COLLECTIVE LEADERSHIP COMPASS

Navigating complex change and multi-stakeholder collaboration

COLLECTIVE LEADERSHIP COMPASS

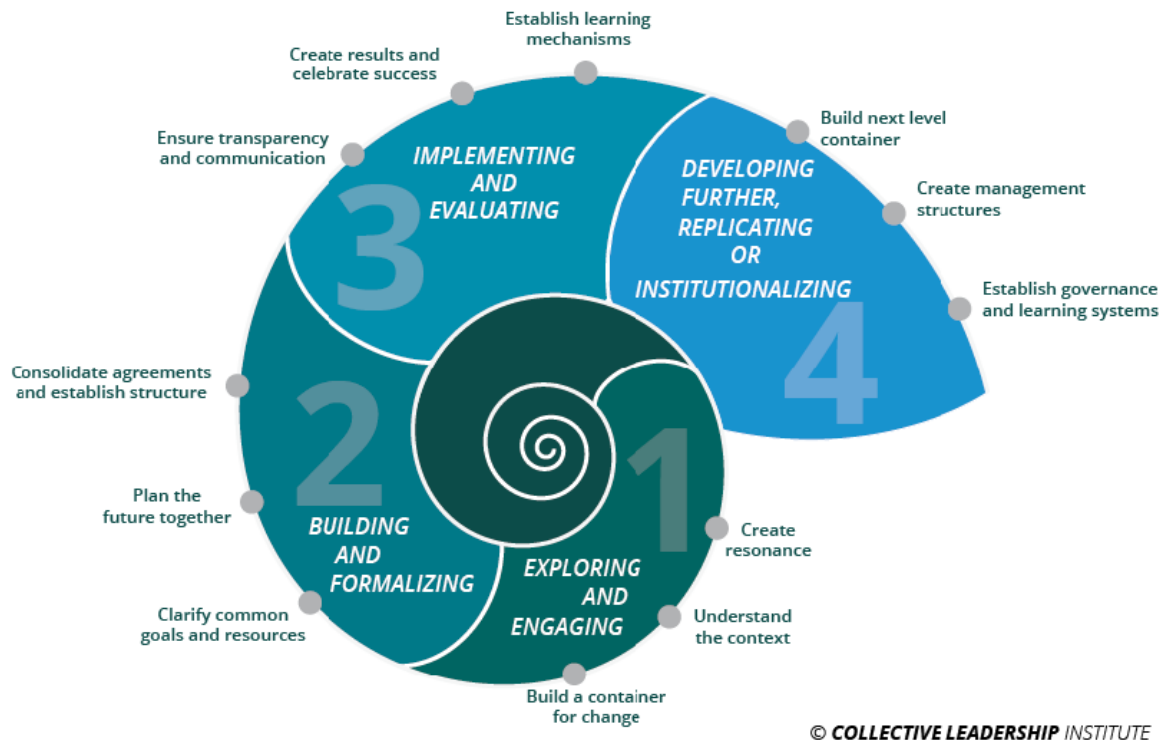


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<i>FUTURE POSSIBILITIES</i>	Inspiring others and actively leading future possibilities
<i>HUMANITY</i>	Acknowledging diversity in the world and in humanity, and accessing our humanity in ourselves and others
<i>ENGAGEMENT</i>	Fostering a dialogic way of change and engaging different stakeholders
<i>COLLECTIVE INTELLIGENCE</i>	Respecting difference and communicating in a way that furthers collective intelligence
<i>INNOVATION</i>	Developing our potential to spot innovative solutions to sustainability challenges
<i>WHOLENESS</i>	Opening up to see the world as a whole and acting for the common good

2.3.2 THE DIALOGIC CHANGE MODEL

Implementing stakeholder dialogues in a results-oriented way



Working towards a more sustainable world requires bringing together different worldviews and balancing conflicts of interest for responsible business, people-oriented public service, and a strong civil society. Solving the complex challenges arising from globally linked problems, conflicts, economic disparities, and the effects of climate change increasingly calls for results-oriented collaboration between the public sector, private sector, and civil society. **Stakeholder Dialogues are a methodology for designing and implementing consultation and cooperation** in complex change processes that require different interest groups to be included and integrated.

Well-structured Stakeholder Dialogues – designed using CLI’s Dialogic Change Model - can create and cultivate ownership of change towards sustainability. This requires a certain methodological knowledge consisting of process and change management experience, the dialogical approach, and self-reflection methods. Bringing together stakeholders with different backgrounds and various interests in a Stakeholder Dialogue requires developing one’s affinity for dealing with diversity, as well as one’s communication and management skills.

3. SUSTAINABILITY IMPACT IN 2018

In this chapter we present three of our recent **Transformation Support** projects. The full overview of our projects can be found on our [website](#).

3.1 EGYPT: ENHANCING THE DUAL EDUCATION SYSTEM



Population growth and youth unemployment make for a very challenging economic context in Egypt that calls for better qualified technical professionals who meet the labor needs of Egyptian and foreign companies in the country. This call has been difficult to answer due to the historical mistrust between public and private sector actors.

In this context, GIZ and CLI partnered to support Egypt in working toward the parts of its 2030 Sustainability Agenda related to the dual education system with a focus on infusing a culture of collaboration and dialogue at all levels such that the country can provide relevant, high-quality apprenticeship opportunities.

This partnership has successfully supported central level actors – especially through the strengthening of the multi-stakeholder dual system Executive Council and the establishment of the Central Technical Amana (or Secretariat; CTA) – and governorate level actors – through the establishment of

complimentary Governorate Technical Amanas (GTAs).

With seven GTAs established and two more planned in 2019, the system of actors is getting into a good rhythm of communication between the GTAs and the CTA. GTAs – even though not yet formalized – are empowered to address local-level challenges, while communicating successes, entrenched challenges, and policy-relevant topics to the CTA. The CTA, in turn, prepares Executive Council meetings, focused on strategy and policy-making. Current policy initiatives include universal insurance for students and criteria for effective teaching.

CLI workshops have focused on initiating GTAs and supporting them in learning and applying the Dialogic Change Model to self-identified initiatives that advance core processes of the dual system in their respective governorates. Workshops were assessed very positively by participants, with 100% indicating that they would recommend them to others.

CLI capacity building and process support in 2019 will focus on collective leadership and helping actors recognize themselves as an enlivened Collaboration Ecosystem, working toward a shared vision. Collective Leadership Specialists will be trained in all nine governorates and the central level to support onward dialogue and collaboration.

#SDGs:     
<https://sustainabledevelopment.un.org/sdgs>

3.2 UKRAINE: HEALTHCARE SECTOR DECENTRALIZATION



The Ukrainian healthcare sector is challenged by ineffective service, poor health outcomes, and dissatisfied workers at many levels.

In order to support the decentralization and revitalization of the sector, to address systemic challenges, and to achieve positive health outcomes for the larger Ukrainian citizenry, the Collective Leadership Institute partnered with GIZ on "Building Regional Stakeholder Networks in the Health Care Sector in Ukraine" within the project "Sectoral Decentralization" under the umbrella of the overall project "Support to Decentralization Reform in Ukraine." Within this partnership, the U-LEAD with Europe Program supports the set-up of Regional Reform Supporters in health care sector networks.

By providing a series of trainings, CLI supported involved parties in becoming collective leaders, equipped with several powerful tools to begin to steer the Ukrainian health care sector in a sustainable direction. By using their acquired competencies, the collective leaders will be able to facilitate change processes that support health care reform at multiple levels and across regions. The resulting Collaboration Ecosystem drives health sector reform, shifting from a centralized, Soviet-style model to a modern, decentralized one.

In October, CLI facilitators co-facilitated a tailored Stakeholder Collaboration workshop to more than 20 change agents in the Ukrainian Health Sector Decentralization initiative with GIZ as a partner. The course followed closely on CLI's workshop with the same group in September focused on the Art of Leading Collectively.

CLI will return again in March 2019 to complete the training series with a tailored workshop in the Art of Dialogue, a workshop to train change agents as dialogic facilitators who can convene stakeholders and use Collective Leadership methodologies to guide the onward transformation of the healthcare sector in Ukraine.



#SDGs:

(<https://sustainabledevelopment.un.org/sdgs>)

3.3 BRAZIL: MULTI-STAKEHOLDER PARTNERSHIP FOR A SUSTAINABLE ORANGE JUICE VALUE CHAIN



The biggest importer of Brazilian orange juice concentrate is the European Union. Yet working conditions on the plantations as well as along the whole value chain remain precarious. Labour laws are mostly ignored and violated, with the denial of breaks and days off, illegal salary deductions, and health and safety violations being only a few of the many issues.

CLI, alongside GIZ and Engagement Global, is part of an initiative headed by the German Ministry of Economic Cooperation and Development to support the building of multi-stakeholder partnerships (MSPs) in a developmental context. CLI's role is to offer conceptual and substantial training and support to different stakeholders who wish to set up an MSP.

In the case of this project concerning the orange juice value chain between Brazil and Germany, CLI supports the civil society organisation *Christliche Initiative*

Romero (CIR) in establishing a network between the diverse actors in Germany. CIR ultimately aims to improve the working conditions of farmers and manufacturers and wants to strengthen civil society as well as unions in Brazil. For this, CIR is working with traders, unions, local communities, and academia in Germany and Brazil, as well as international platforms in Europe.

CLI supports CIR in the strengthening of dialogue structures between German societal actors from civil society, the private sector (wholesale companies, supermarkets, retailers, etc.), unions, and political institutions to establish fair and sustainable trade agreements in the orange juice sector.

CLI supports CIR through a long-term capacity development for structured and goal-oriented dialogue, facilitation, and cooperation with the stakeholders from the diverse collaboration systems along the supply chain.

The support will continue in 2019 in order to further strengthen the core actors in their facilitation and cooperation skills and bring them closer together as a core team.

#SDGs:    
(<https://sustainabledevelopment.un.org/sdgs>)

A comprehensive overview of our projects can be found on our website: <https://www.collectiveleadership.de/blog/article/projects/>.

3.4 EVALUATION AND QUALITY CONTROL

Different tools and instruments allow us to evaluate our work and get measurable results that help us to improve our quality in a targeted manner. Reflection meetings take place among faculty members and program managers in order to follow up on relevant issues and respond accordingly to maintain and improve our quality of project implementation and capacity building.

Every project is reviewed by an official audit and its achievements are evaluated in a project report.

Qualitative and quantitative feedback is also collected through questionnaires from all participants immediately following each workshop. **In total, 550 people took part in CLI trainings in 2018, a record for the organization.** Whereas 440 participants completed capacity building workshops integrated in country-specific projects, we can only publish the statistics from our 110 open course participants due to non-disclosure agreements with some partners.

These are three data points that CLI uses as the basis for quality control of our open courses, with results for 2018:

Open Course:	The Art of Leading Collectively	The Art of Stakeholder Collaboration	The Art of Dialogue	Total
Number of alumni in open course in 2018	36	57	17	110
Quality Criteria (percentage of course participants who...):				Weighted Average
Assess the relevance of the course for their daily work as high or very high	86%	91%	94%	90%
Assess the professional expertise of facilitators as good or excellent	92%	91%	88%	91%
Would recommend the training to colleagues or professional partners	89%	98%	100%	95%

Figures are drawn from participants' anonymous assessments of our 2018 courses.

4. PLANNING AND OUTLOOK

4.1 STRATEGY

CLI delivers its Mission through four Strategic Pillars. Each Pillar describes objectives and activities to be conducted through 2021.

Building Competence: Empower individuals, teams, and organizations to apply and teach our core approach of collective leadership and dialogic change to transformation towards the SDGs and beyond

CLI will continue to offer its signature set of open and on-site courses on Stakeholder Collaboration, Collective Leadership, and Dialogue, as well as its Young Leaders for Sustainability program for diverse change agents and teams working on the SDGs. These activities focus on CLI's core Collective Leadership Academies in Germany, South Africa, and Cambodia.

The development of our **Collective Leadership Academies Network (CLAN)** will be pursued by accrediting individuals and small teams as Collective Leadership Facilitators to establish Academies and engage in collaboration capacity building in specific language-regions, countries, and cities. Approaches to accreditation include:

- (1) inviting individuals and teams to complete a series of open and/or onsite CLI courses and coaching,
- (2) integrating accreditation into project grant proposals, and
- (3) approaching donors to sponsor accreditation and the development of multiple CLAs at once.

Thought Leadership: Deliver thought-provoking, praxis-based research, writing, and speaking engagements that drive the paradigm shift towards systems transformation based on CLI's core approach of collective leadership

Activities focus on promoting existing CLI publications; speaking at strategic events; publishing further books, articles, and blogs; and collaborating with other organizations and institutions on relevant research.

Transformation Support: Strategically implement partnership projects, working directly with systems of stakeholders to drive collaborative implementation of the SDGs

Activities focus on CLI being a strategic partner and coach:

- (1) to organizations and teams working to realize the SDGs and
- (2) to companies wanting to improve their CSR practices and/or that are engaged in sustainability initiatives.

Case studies of Transformation Support projects are integrated into **Thought Leadership** publications and **Building Competence** course curricula, above.

Change Networks: Establish, invigorate, and contribute to learning and action communities with the collective leadership approach for large systems transformation

CLI seeks to build a movement for collective leadership by launching a regular Collective Leadership Conference, launching an online Collective Leadership Compass Tool that is widely used by collaboration practitioners around the world, and supporting a community of practice around collective leadership. This strategic pillar is strongly supported by development of our **Collective Leadership Academies Network** and the resulting community of alumni and certified Collective Leadership Specialists.

4.2 DEVELOPMENT POTENTIAL AND OPPORTUNITIES

Integrated across all four of these pillars is the important need to communicate the value of our approach and work through stories of transformation via, for example, our website, social media, newsletter, and webinars. Such communication includes documented case studies from CLA faculty, trainers, and alumni; promotion of our publications and recorded talks; documentation of case studies of systems and business transformation toward sustainability; livestreaming of our Collective Leadership Conference; and offering open source resources and an online platform for our community of practice.

4.3 RISKS

The risks identified in 2018 are:

Composition of the CLI Team

It is indispensable that the changing requirements of our work match with the competence of our staff. Having a dedicated team with differentiated but specific professional expertise enables us to meet the challenges of our time.

This risk could be addressed by looking ahead and building a team with relevant qualifications.

Finance Structure

The work of the Collective Leadership Institute relies especially on project-based aid money from the German government. CLI seeks to diversify its base of donors/finance partners.

5. ORGANISATIONAL STRUCTURE AND TEAM



5.1 ORGANISATIONAL STRUCTURE

On July 20th, 2016, the Collective Leadership Institute e.V. (registered association) changed its legal form to a gGmbH, backdated to January 1st, 2016. In the German taxation system, a gGmbH is a limited liability company, whose earnings are used for a charitable purpose. It is exempted from corporation tax and occupational tax. As a gGmbH, CLI is able to work more efficiently than before.

5.2 SHAREHOLDER STRUCTURE

The Collective Leadership Institute gGmbH consists of four shareholders: Petra Kuenkel as the Executive Director, as well as Douglas F. Williamson, Heidrun Zoller, and Dominic Stucker as Managing Partners. Each of them owns a corporate share of 25%.

At least once a year, all shareholders fulfill the requirement to convene in order to discuss principal decisions and strategic planning.

The nominal capital of the Collective Leadership Institute amounts to 25.000 €.

Further information:

Statute of the Collective Leadership Institute (German only)

http://wiki.collectiveleadership.com/images/e/e7/Umwandlungsbeschluss_mit_Gesellschaftsvertrag.pdf

5.3 KEY PERSONNEL

Our dedicated team forms the basis of the work and the success of the Collective Leadership Institute.

Collective Intelligence arises in this case from a diverse skill set, knowledge of different languages, and deep intercultural experiences.

5.4 MANAGING PARTNERS



Dr. Petra Kuenkel: Founder Managing Partner and Executive Director

Dr. Petra Kuenkel is a leading, visionary thinker and full member of the Club of Rome. She has advanced a systemic, worldview of aliveness and a re-orientation towards reverence for humanity's participation as a conscious actor in an interconnected, self-regulating natural system that is our world. Dr. Kuenkel has consistently advanced this view conceptually in her numerous publications, while simultaneously advancing the practical implementation of such life-enhancing approaches in the strategic management of multi-stakeholder change initiatives that address complex sustainability challenges such as the 17 Sustainable Development Goals.

Douglas F. Williamson: Managing Partner and Senior Project Manager

Douglas F. Williamson is an education, facilitation, and sustainability communications expert and a high-energy, multi-skilled leader and team player with more than 15 years' experience in the areas of partner relationship management, strategic planning, project management, natural resources management, and international affairs. Having worked with several international environmental NGOs, the United Nations University, and the US Environmental Protection Agency's Climate Change Division, Mr. Williamson has a history of success in conceptualizing, planning, co-organizing, and implementing a broad variety of projects and initiatives.

Heidrun Zoller: Managing Partner and Chief Financial Officer

Heidrun Zoller is Chief Financial Officer and Managing Partner of the Collective Leadership Institute. She has worked in high-level positions in the German banking system as a risk manager and in an international building material group as the CFO of a German subsidiary. She was responsible for different due diligence processes and group integrations within companies after mergers. She also has many years of experience as a consultant in process optimisation.

Dominic Stucker: Managing Partner and Senior Associate

Dominic Stucker is an action-oriented collaborator who convenes diverse teams to address pressing sustainability challenges. With more than 15 years' experience as a programs manager, facilitator, process coach, and researcher, he specializes in transformative process design, collective leadership capacity building, natural resources management, and climate change. Mr. Stucker has published with Earthscan/Routledge, MIT Press, and peer-reviewed journals. He is a lead faculty member for educational programs on cross-sector cooperation and facilitates stakeholder dialogue and collaboration processes.

6. PROFILES OF THE ORGANISATIONS INVOLVED

6.1 ORGANISATIONAL PROFILE

Location

Headquarters: Potsdam, Germany
Regional Office: Cape Town, South Africa

Contact details

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11 Abelia Street, Mont Claire

7785 Cape Town

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Phone: +27 83 772 0958

southafrica@collectiveleadership.com

www.collectiveleadership.com

Foundation

The Collective Leadership Institute was founded in 2005 by Petra Kuenkel and Kristiane Schaefer. With changing the legal form in 2016, the Management Board changed as well.

Legal form

gGmbH

Succession policy

None

Link to articles

<http://www.collectiveleadership.de/article/transparency/>

Commercial register

Handelsregister Potsdam, HRB 29182 P
from 16th August 2016

Non-profit organisation

The Collective Leadership Institute gGmbH, with its purpose of education and training, is exempted from corporate taxation in accordance with the last received Notice of Exemption by the Potsdam Tax Office, Tax No. 046/142/12298, from January 4th, 2012 according to § 5 clause 1 No. 9 of the German Corporate Income Tax Act and is recognized as a nonprofit organisation. The corporation Collective Leadership Institute gGmbH pursues objectives that are exclusively and immediately for the public benefit within the meaning of the clause "Tax privileged objectives" of the German Fiscal Code § 52 clause 2 No. 7.

The corporation is authorized to issue receipts confirming donations according to the officially prescribed form (§ 50 clause 1 EStDV) for donations which are made towards the purposes mentioned above.

Employee representatives

None

<i>NUMBER OF TEAM MEMBERS</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Permanent employees (year end)	10	10	8	7	9
Of which full time employees	10	8	6	6	9
Of which part time employees	0	2	2	1	0
Freelancers / Associates	16	10	2	2	4
Total employees and associates	26	20	10	9	13
Interns	0	0	2	0	1

6.2 CORPORATE GOVERNANCE

6.2.1 MANAGEMENT BOARD

Petra Kuenkel is Executive Director of the Collective Leadership Institute (CLI) gGmbH. Further Managing Partners are Douglas F. Williamson, Heidrun Zoller, and Dominic Stucker. The essential tasks and functions of the Management Board are governed in the management regulations.

6.2.2 FINANCIAL REPORTING

The annual financial statements are prepared internally with the cooperation of an external tax consultant. The Chief Financial Officer is obliged to present the Partners with regular financial reporting, including bank statements at the end of each month.

6.3 ENVIRONMENTAL AND SOCIAL PROFILE

In its operational and employee manuals, the Collective Leadership Institute strives to be a responsible organisation from an environmental and social point of view. CLI ensures that employment policy and practices are fair and equitable in regard to the individual and the employment laws of Germany. CLI is an equal opportunity employer. CLI offers employees flexible

working hours and the possibility of home office when appropriate and when the tasks are suitable. Private matters can be dealt with over the course of the day when necessary and in accordance with supervisors. With regard to its environmental policy, CLI aims to minimize its use of natural resources, and seeks to lessen any undesirable impact on the environment.

7. FINANCES

7.1 BOOKKEEPING AND ACCOUNTING

7.1.1 BOOKKEEPING

CLI currently uses the double-entry bookkeeping method. All bookkeeping tasks are done by our external tax consultant.

7.1.2 ANNUAL FINANCIAL STATEMENT

CLI compiles an annual financial statement that consists of a statement of assets and liabilities and a profit and loss account. The annual financial statement is reviewed and finalized by the auditing and tax consulting firm Dr. Knabe, Jägerallee 37 i, 14469 Potsdam, Germany.

7.1.3 CONTROLLING

CLI's internal controlling and reporting are based on reports compiled on a regular basis and are adapted to meet current demands. The Managing Partners and the staff are informed monthly about CLI's financial situation.

7.2 MANAGEMENT REPORT

CLI's activities are primarily financed by funded projects. Further income is generated by process consulting and course registration fees.

7.3 STATEMENT OF ASSETS AND LIABILITIES

<i>ASSETS</i>		<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
		€	€	€	€
A. Fixed assets	I. Intangibles	1.038,00	949,00	37.967,00	37.512,80
	II. Tangibles	4.080,00	4.080,00	2.894,00	1.469,00
B. Current assets	I. Cash and bank balance	336.610,57	220.496,02	270.902,53	594.118,45
	II. Other	36.667,64	38.277,21	42.903,23	22.275,81
TOTAL ASSETS IN €		378.396,21	269.153,23	354.666,76	655.376,06
<i>LIABILITIES</i>		<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
		€	€	€	€
A. Capital stock			25.000,00	25.000,00	25.000,00
B. Retained earnings		519.440,36	352.071,84	195.813,27	271.079,68
C. Annual result		-141.069,04	-156.258,57	75.266,41	103.239,07
D. Total equity in €		378.371,32	220.813,27	296.079,68	399.318,75
E. Provisions			4.000,00	4.000,00	4.000,00
F. Other liabilities		24,89	44.339,96	54.587,08	252.057,31
TOTAL LIABILITIES IN €		378.396,21	269.153,23	354.666,76	655.376,06

7.4 INCOME AND EXPENSES

<i>INCOME</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
	€	€	€	€
A. Income ideational area	110,00	100,00	0	0
B. Other operational income	196,31	0,00	8.074,64	1.908,75
C. Income educational area	637.727,95	639.567,02	763.843,20	1.237.820,97
D. Income consultancy area	542.578,16	310.330,12	125.869,42	37.042,77
TOTAL INCOME	1.180.612,42	949.997,14	897.787,26	1.276.772,49
<i>EXPENSES</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
	€	€	€	€
A. Personnel costs	578.150,89	455.036,84	408.963,44	539.459,09
B. Honorarium	328.708,57	341.528,16	226.024,84	328.354,64
C. Travel costs	144.554,83	152.431,58	91.292,62	169.499,56
D. Seminar and course costs	49.959,65	41.871,72	10.001,51	33.711,42
E. Facility cost	35.900,50	42.664,82	29.518,83	17.570,74
F. Administrative cost	62.575,48	53.829,57	39.933,47	40.782,43
G. Marketing cost	27.732,81	13.772,50	9.341,93	29.470,50
H. Depreciation	6.576,61	3.835,19	6.890,04	13.000,32
I. Tax	85.263,49	0,00	554,11	0
J. Other expenses	453,31	0,00	0,06	1.684,72
K. Incidental monetary transaction	1.805,32	1.285,33	N/A	N/A
TOTAL EXPENSES	1.321.681,46	1.106.255,71	822.520,85	1.173.533,42
ANNUAL RESULT IN €	-141.069,04	-156.258,57	75.266,41	103.239,07



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