Capgemini Danmark A/S

Delta Park 40, 2665 Vallensbæk Strand

CVR No 25 60 69 65

Annual report for

01.01.2018
-
31.12.2018

The Annual Report was presented and adopted at the Annual General Meeting of the Company on:
22.05.2019

Chair of the Assembly

Anders Sejersdal

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Company Information

Company
Capgemini Danmark A/S
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Board of Directors
Joannes Petrus Emmanuel van Waaijenburg
Stefan Ingvar Ek
Jean-Baptiste Jacques Emmanuel Valéry Massignon
Lucia Graziella Sinapi

Executive Board

Anders Sejersdal

Audit
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management review

Business activities

Capgemini Sogeti Danmark A/S is part of the global Capgemini Group, which is one of the world's leading providers of consulting, technology and outsourcing services. The Capgemini Group is represented in more than 40 countries with 200,000 employees and had a revenue of EUR 13,2 billion in 2018.

Capgemini Danmark A/S delivers IT-related solutions which support our customers' goals and business processes. The company provides quality solutions through industry knowledge, in-depth technical expertise and core skills in linking business and IT. We assist our customers in taking advantage of business opportunities by leveraging innovative technology.

The ability to provide local as well as international skills is pivotal in Capgemini Danmark A/S business model. This enables us to establish integrated support for all our clients' business processes - from initial analysis, technology selection and management of risks to development, implementation, integration and test of both bespoke and standard IT solutions. The technologies include mobile, cloud-based and "advanced analytics" solutions. Many of these solutions support customers' sales and marketing activities.

Through more than 50 years' commercial experience, Capgemini Group has developed the ability to cooperate constructively with its customers and has combined its experiences under the concept Collaborative Business ExperienceTM. The aim is to help the customers achieve effective, fast and lasting results through close, open and trusting cooperation. Moreover, Capgemini Danmark A/S works increasingly within an agile development model, securing dynamic customer needs, with a high emphasis on time-to-value.

Testing and quality assurance in the implementation of customer projects is out most important to Capgemini Denmark A/S. Going forward we will focus on the current transformation in the quality assurance and testing area. Our main focus is test automation, technical test and leading in innovations and competences in Digital Assurance and Test. Test Automation will play a major role in increase productivity and is a must for DevOps and professional Agile development. An important business area is the Life Science, which has regulatory requirements on Quality Assurance and testing.

SAP with the stop for support on legacy SAP, will force a wave of upgrades and needed test towards 2021. This we plan to take advantage of by using our international service inside the Capgemini group.

On the technology side activities for how to add the future hot topics AI and smart tooling incl. our own Cognitive QA, should lead the way for better tooling and fast decision making in IT. Capgemini Danmark A/S considers its main task to deliver as efficiently as possible and therefore we apply the Capgemini Group's global delivery model - Rightshore®. The Capgemini Group established skill centers across the globe and can always find the place where the customer's tasks and challenges can be overcome in an optimal way, with costs, time, skills and quality taken into consideration. The Rightshore® centres employed 105,000 colleagues in 2018.

Financial highlights

In 2018 Capgemini Danmark A/S had a revenue of DKK 318m which is a 3% drop from 2017 and below management's expectations. The company had since late 2017 challenges in recruiting sufficient skilled employees due to the scarcity of qualified candidates in the current IT labor market. Consequently, it was difficult to provide adequate local resources in early 2018. However, in the later months of 2018 our recruitment regained momentum and attrition dropped below 20%. Although too late to have a decisive impact in 2018, this leaves room for optimism going forward.

Along with the decreasing revenue, profitability came under severe pressure and the net result dropped from DKK 15m in 2017 to DKK -2.6m 2018. The main driver behind reduced profitability was that salaries increased from 61% of the revenue to 66%. This is in part because our margins came under pressure in 2018. However, another important reason for this increase was substantial severance cost as the local infrastructure business in Denmark was discontinued.

Dividends of DKK 15,2m was paid out in 2018, which reduced the equity with the same amount. With a loss in 2018 of DKK 2.6m, the total equity amounted to DKK 50.4m as of 31 December 2018, which leaves the equity share at 53%. As a consequence of the below zero net result in 2018 it is proposed to the annual assembly that no dividends will be paid in 2019.

The last quarter of 2018 showed much encouragement in terms of sales, recruitment and utilization of the consultants. It is the management's expectation that this momentum can be sustained in 2019 in order to change the shrinking trend a regain growth as well as restore profitability.

Research and development

Research and development in the company's activity areas is mainly conducted at global level in the Capgemini group.

In 2013 the Capgemini Danmark's planning solution for the health care sector – Bookplan – was included in the global solutions portfolio of the Capgemini group (Ready2Series). This opens for support for prioritized further product enhancements. Bookplan is presently deployed with Region Nordjylland, Region Midt and Region Syddanmark.

Technology and employee competencies

Through membership of the global Capgemini Group, the company harvests significant synergy benefits, which raise its process and technology capabilities far beyond the Danish subsidiary's own capacity. The widespread use and continual expansion of delivery centers, including India and Poland, is a good example of the use of the research and skills development taking place globally in the Capgemini group.

As a knowledge-intensive consultancy firm, the company continues to focus not only on processes and technology, but also on the constant development of its primary asset: the consultants. The development of employees takes place as on-the-job training as well as through systematic use of internal and external skills training and certifications. This includes the use of an extensive range of virtual learning and development system for all employees. A structured offer of "blended learning", including state-of-the-art e-learning is the backbone of the continual development of the group's employee skills.

Along with the ongoing development of our Danish consultants' skills, training also takes place for our Indian employees who are associated with Danish projects. Through the experience of completed projects, our Indian colleagues are building up an extensive knowledge of Danish conditions.

Statement of social responsibility

With reference to section 99a(6) of the Danish Financial Statements Act and to the statement of corporate social responsibility included in the Annual Financial Report of Capgemini SE, the Capgemini Danmark A/S has not disclosed this information in its own Management's Review. The report is available on the Group's website:

https://investors.capgemini.com/en/file/11729?download=1

Social responsibility, together with the group's ethical code and our shared values, are the foundation of our relationship with our customers, employees and the communities and environments in which we operate. The Capgemini Group shall check on a regular basis that each subsidiary meets and complies with the group's guidelines for social responsibility, as defined under the 5 main categories, of which the 3 first are detailed below:

- Environment
- Community
- Management, Values and Ethics

Environmental responsibility

To minimize environmental impact, Capgemini has incorporated environmental considerations as an integral part of our activities, both globally and domestically.

In the development process of our consultancy services we consume a number of resources such as electricity, water, heating, paper, etc.

To ensure the most environmentally friendly use of these resources, Capgemini consistently pursues a comprehensive environmental policy in all areas where this is environmentally and economically justifiable – this also applies to new investments in the company.

Capgemini Danmark A/S moved in 2009 it's headquarter to Vallensbæk Company House, which is one of the first office buildings in Denmark fulfilling the EU Green Building Standard, i.e. with a calculated energy consumption that is at least 25% below the national energy framework. In 2017 all interior light was replaced with energy-saving LED lights. The Company has beyond an environmental conscience in these environments also experienced significant decreases in operating costs for our office facilities.

Community and society

Social responsibility is an integrated part of Capgemini's identity, business strategy and business activities. Our goals in relation to social responsibility and ethics reflect our ambition to behave properly and stay committed to the communities to which we belong.

In 2004 Capgemini joined the UN's Global Compact, the world's largest initiative for corporate social responsibility. This is an international initiative started by the UN with the purpose of involving private companies in solving some of the major social and environmental challenges posed by globalization.

Capgemini Danmark A/S has traditionally recruited graduates from universities, but has since 2012 added an alternative recruiting channel, where we proactively assist in the education of future IT specialists. This has resulted in employment of 4 Danish students from the vocational schools - students who through their education will be trained in consulting.

Corporate ethics

Capgemini Danmark A/S commits to Capgemini Group's principles for leadership, values and ethics (including respecting the Declaration of Human Rights and refusing use of forced or child labor). The ethical guidelines are an integral part of the employment contract for all employees. An overall description of our commitments is publicly available at:

https://investors.capgemini.com/en/file/11729?download=1

As part of Capgemini group, Capgemini Danmark A/S respects the declaration of human rights in accordance with the overall group policies.

Capgemini Group formulated in 2010/11 a comprehensive set of guidelines to address corruption and corruption-like problems. The ethical platform was subsequently extended by principles and guidance for fair competition. All senior managers are trained and examined in these.

Capgemini Danmark A/S formalized in 2011 a "whistleblower" system that allows employees to disclose any suspicions of violations of the above guidelines and / or legislation outside the formal governance structures of the company. The system hasn't been activated in 2018.

Employee diversity

The Capgemini Group rely on a diverse, experienced workforce to better understand and respond to client needs. Our clients come from all over the globe and so do our employees. They have a wide range of backgrounds and are enabled to take on new challenges and deliver world-class results.

Our holistic definition of diversity extends beyond gender, gender identity, sexual orientation, disability, ethnicity, race, age, and religion. Our aim is to promote ideas that challenge the status quo, drive innovation, and encourage agile and flexible thinking to stay ready for the future.

Capgemini believes that equality between sexes contributes positively to our work environment and strengthens our group's performance and competitiveness. It is a business imperative, as it brings innovation and value and creates a more balanced and inclusive environment. Moreover, it is key to attract and retain the right talents.

Capgemini Danmark A/S strives to increase the number of female leaders in the company. Currently there is one female and three male members of the executive management team, which is considered as equal distribution according to the guidelines from the Danish Business Authority.

The target for the Board of Directors is to have at least 33% female members. As proposed to the Annual General Meeting, the Board will be consisting of one female and two male members going forward, thus the target will be met.

For increasing the share of female leaders in management layers we adhere to the initiatives launched by Capgemini group as described in:

https://www.capgemini.com/careers/life-at-capgemini/respect-for-diversity/

Key figures

	2018 IFRS TDKK	2017 IFRS TDKK	2016 IFRS TDKK	2015*) ÅRL TDKK	2014*) ÅRL TDKK
5 years key figures					
Profit and loss accounts					
Net revenue	318.265	327.406	345.028	327.721	309.709
Gross profit	47.956	54.229	68.539	75.260	71.187
Operating profit	-4.357	10.906	20.324	20.786	13.165
Net financials	611	937	195	338	580
Profit/loss for the period	-2.586	15.221	15.893	13.817	10.598
Balance sheet					
Balance sheet total	128.837	130.735	143.789	122.946	130.801
Equity	50.360	68.146	62.925	57.032	43.215
Invested capital including goodwill	29.645	29.914	29.623	5.109	6.886
Net working capital	38.380	45.152	71.874	62.933	54.549
Investment in property, plant and equipment	3.280	3.549	3.258	5.109	6.886
Cash flows					
Operating activities	6.675	26.372	27.084		
Investment activities	-443	-878	-878		
Financing activities	-6.231	-25.493	-25.493		
Empolyees					
Average number of employees	292	284	297	280	267
Key Ratios					
Revenue per employees	1.090	1.153	1.162	1.170	1.160
Gross margin (%)	15,1%	16,6%	19,9%	23,0%	23,0%
Profit margin (%)	-0,8%	4,6%	4,6%	4,2%	3,4%
Equity share (%)	39,1%	52,1%	43,8%	46,4%	33,0%
Return on equity (%)	-4,4%	23,2%	26,5%	27,6%	32,3%
Return on invested capital including goodwill (%)	-14,6%	36,6%	117,0%	346,6%	177,8%
Revenue/invested capital including goodwill (%)	10,7%	11,0%	19,9%	54,6%	41,8%
Operation margin	-1,4%	3,3%	5,9%	6,3%	4,3%

*) The company has implemented IFRS as per 1.1.2016. The comparative figures for 2014-2015 are stated under Danish GAAP.

The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts (2015).

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Capgemini Sogeti Danmark A/S for the financial year 1 January – 31 December 2018.

The Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and further requirements in the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations and cash flows for the financial year 1 January – 31 December 2018.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 22.05.2019

Executive Board

Anders Sejersdal

Board of Directors

Johannes Petrus Emmanuel van Waaijenburg
Chairman

Stefan Ingvar Ek

Jean-Baptiste Jacques Emmanuel Valéry Massignon

Lucia Graziella Sinapi

Independent Auditor's Report

To the Shareholders of Capgemini Danmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2018 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Capgemini Sogeti Danmark A/S for the financial year 1 January - 31 December 2018, which comprise income statement and statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 22.05.2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

René Otto Poulsen	Henrik Hornbæk
State Authorised Public Accountant	State Authorised Public Accountant
mne26718	mne32802

Statement of comprehensive income

	Note	2018 TDKK	2017 TDKK
Net revenue	3	318.265	327.406
Production costs	4,5	(270.309)	(273.177)
Gross profit		**47.956**	**54.229**
Sale and distribution costs	4,5	(13.460)	(11.324)
Administrative costs	4,5	(38.853)	(31.999)
Operating profit		**(4.357)**	**10.906**
Finance income	6	2.611	1.128
Finance expenses	7	(2.000)	(191)
Profit/loss before income tax		**(3.746)**	**11.843**
Income tax (expenses)	8	1.160	3.378
Profit/loss for the period		**(2.586)**	**15.221**
Other comprehensive income for the period, net of tax		**0**	**0**
Total comprehensive income for the period		**(2.586)**	**15.221**

Balance sheet

	Notes	2018 TDKK	2017 TDKK
Goodwill		26.365	26.365
Intangible assets	**9**	**26.365**	**26.365**
Other fixtures and fittings, tools and equipment		1.134	1.463
Hardware		0	0
Leasehold improvements		636	542
Tangible assets	**10**	**1.770**	**2.005**
Deposits		1.510	1.544
Financial assets	**11**	**1.510**	**1.544**
Deferred tax	**12**	**14.454**	**13.315**
Total non-current assets		**44.099**	**43.229**
Contract asset consulting contracts	16	12.008	1.597
Trade receivables	13	48.524	53.629
Receivables from related parties		8.294	8.530
Receivable from cash pool related parties	21	12.831	18.976
Other receivables		337	2.038
Income tax receivable	8	0	616
Prepayments		2.739	3.713
Receivables		**84.733**	**89.099**
Cash	**21**	**5**	**4**
Total current assets		**84.738**	**89.103**
Total assets		**128.837**	**132.332**

Balance sheet

	Notes	2018 TDKK	2017 TDKK
Share capital		27.139	27.139
Retained earnings		23.221	25.807
Proposed dividens		0	15.200
Total equity	**15**	**50.360**	**68.146**
Provisions		0	0
Total non-current liabilities		**0**	**0**
Contract liabilites consulting contracts	**16**	9.593	10.093
Trade payables		10.144	8.477
Payables to related parties		9.091	6.503
Other payables	**17**	49.649	39.113
Total current liabilities		**78.477**	**64.186**
Total liabilities		**78.477**	**64.186**
Total equity and liabilities		**128.837**	**132.332**

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividends	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 01.01.2017	27.139	25.786	10.000	62.925
Profit for the period	0	21	15.200	15.221
Other comprehensive income for the period	0	0		0
Total comprehensive income for the period	0	21	15.200	15.221
Transactions with owners in their capacity as owners				
Dividend paid	0	0	(10.000)	(10.000)
Equity at 31.12.2017	**27.139**	**25.807**	**15.200**	**68.146**
Loss for the period	0	(2.586)	0	(2.586)
Other comprehensive income for the period	0	0	0	0
Total comprehensive income for the period	0	(2.586)	0	(2.586)
Transactions with owners in their capacity as owners				
Dividend paid	0	0	(15.200)	(15.200)
Equity at 31.12.2018	**27.139**	**23.221**	**0**	**50.360**

Cash flow statement

	Notes	2018 TDKK	2017 TDKK
Profit/loss for the period		(2.586)	15.221
Non-cash items	20	(1.059)	(3.728)
Change in working capital	20	9.072	14.577
Cash flows from operating activities before financial income and expenses		5.427	26.070
Financial income		2.611	1.128
Financial expenses		(2.000)	(191)
Cash flows from ordinary activities		**6.038**	**27.007**
Income taxes paid		637	(635)
Net cash flow from operating activities		**6.675**	**26.372**
Purchase of activity		0	0
Purchase of property, plant and equipment		(477)	(1.371)
Change on deposits		34	493
Net cash flow from investing activities		**(443)**	**(878)**
Payment of receivables from related parties		236	(6.837)
Repayment of payables to parent		0	(1.711)
Repayment of payables to related parties		2.588	(780)
Cash pool	21	6.145	(6.165)
Dividends distributed to parent companys shareholders		(15.200)	(10.000)
Cash flow from financing activities		**(6.231)**	**(25.493)**
Net cash flow for the year		1	1
Cash and cash equivalents, beginning of the year		4	3
Cash and cash equivalents, end of the year	21	**5**	**4**

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Notes

1. Accounting policies

The Annual Report for the period 1 January - 31 December 2018 comprise the financial statements of Capgemini Danmark A/S.

The Annual Report are prepared according to IFRS as issued by the IASB and endorsed by the EU and further Danish disclosure requirements for large class C entities.

Capgemini Danmark A/S does not disclose the fees paid to auditors as the fees paid to auditors can be found in the Annual Report of the ultimate parent Capgemini SE, refer to the Danish Financial Statement Act section 96 (3).

Changes in accounting policies

The group has applied the following IFRS standards for the first time, with effect from 1 January 2018:

- IFRS 9: Financial instruments
- IFRS 15: Revenue from contracts with customers

Capgemini Danmark A/S has changed its accounting policies following the adoption of IFRS 9 and IFRS 15. The effect of adoption of both IFRS 9 and IFRS 15 is not material.

IFRS 9, Financial Instruments, has been adopted retrospectively without restatement of comparative financial information for 2017. The adoption of IFRS 9 has resulted in the following significant change in the accounting policies:

Impairment of receivables is measured based on expected credit losses rather than incurred credit losses. Capgemini Danmark A/S is using the simplified approach to measure expected credit losses from trade receivables.

IFRS 15 has been adopted using the modified retrospective method. By using this method the cumulative effect of initially applying the standard is recognized at the date of initial application 1 January 2018, and comparative financial information for 2017 is not restated.

The adoption of IFRS 15 Revenue from contracts with customers from 1 January 2018 resulted in the following changes in the accounting policies.

Sale is recognised when control of the products or services has transferred being when the products or services are delivered, and the customer has the right to use it.

For multi-element contracts, the basis for revenue recognition is an assessment of the standalone selling prices for the identified performance obligations, including variable consideration. The right to use software license is considered a separate performance obligation when it satisfies the following conditions: can be delivered separately from other services, can be installed by a third party, can be used without upgrades, and is functional without upgrades or technical support.

Adoption of new and amended standards

Capgemini Danmark A/S has implemented all new standards and interpretations effective in the EU from 2018.

The IASB has issued a number of new or amended standards and interpretations effective for financial years beginning after 1 January 2019. Some of these have not yet been endorsed by the EU. Most relevant to the Group is the following:

IFRS 16 "Leasing" was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted. Capgemini Danmark A/S has assessed the impact of IFRS 16 which will imply an increase of assets and liabilities with 9,5%. The impact on profit for the year is not evaluated material.

There are no other IFRSs or IFRIC interpretations that are not yet effective that is expected to have a material impact on the Company.

Foreign currency translation

Functional and presentation currency

The functional currency of Capgemini Danmark A/S is DKK.

The financial statements are presented in Danish kroner (DKK). The financial statements have been rounded to the nearest thousand.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Revenue

Revenue primarely comprise from consulting services and secundary from license fees and goods. Revenue from consulting service is recognised when the work is performed and when it is likely that the economic advantages including payments will accrue to the company. Revenue is recognised when the work is performed and when it is likely that the economic advantages including payments will accrue to the company.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates and amounts collected on behalf of third parties.

Software licenses

Fixed term license agreements give the right to use the software for a determined period of time, which can be extended at the end of the initial term.

The main performance obligation related to software license agreements is a right-to-use software license. The right to use the software license is considered a separate performance obligation when it satisfies the following conditions: can be delivered separately from other services, can be installed by a third party, can be used without upgrades and is functional without upgrades or technical support from Capgemini Danmark A/S.

Revenue from sale of standard software licenses is recognised at point-in-time when delivered, provided the delivery does not depend on client acceptance of its functionality. If there is a requirement for client acceptance of functionality, the license revenue is recognised at the time of acceptance.

Implementation

Implementation service relates to the implementation of new and existing software licenses. Implementation services are recognised over time as the work is performed. Fixed fee agreements are recognized based on percentage of completion.

Transaction price allocation

The total transaction price is allocated to each performance obligation on the basis of the relative standalone selling price of each distinct good or service.

Capgemini Danmark A/S does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, Capgemini Danmark A/S does not adjust any of the transaction prices for the time value of money.

Deferred revenue

Prepaid consulting services or software license fees are recognised as deferred revenue until the criterias and conditions for revenue recognition in relevant agreements are met.

Payment terms

Typical payment terms on the contracts are net 30 days.

Production costs

Cost of services rendered consists of direct and indirect costs including depreciation, amortisation, staff expenses and similar expenses. Furthermore, production costs comprise provisions to cover losses on fixed price contracts.

Administration costs

Administration expenses comprise expenses regarding administrative personnel, salaries to management, depreciation, write downs on bad debts and office expenses, etc.

Sales and distribution costs

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realised and non-realised capital gains/losses on transactions in foreign currency.

Income tax and deferred tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries or acquisitions of activities that is considered to be a business and represents the excess of the consideration transferred over the Company's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGU's, or groups of CGU's, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Other fixtures, fittings and furniture, hardware and leasehold improvements are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost comprise the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures, fittings and furniture: 3-5 years

Leasehold improvements: 3-5 years

Hardware: 3-4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses arising from disposal of tangible assets are calculated as the difference between the sales price less sales costs and the carrying amount at the time of sale. Gains and losses are recognized in the profit and loss account as other operating income or other operating costs.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised in the income statement when the impairment is identified.

Financial assets

Deposits

Deposits include deposits paid related to leases and are measures at amortised cost.

Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Asset and liabilities related to contracts with customers

Work in progress is measured at expected sales price of work performed based on the stage of completion. The stage of completion is based on the share of hours and expenses spent according to the expected total hours and expenses as set forth in the contract.

On account payments are set off against work in progress. On account payments which exceeds the completed share of contracts are calculated individually for each contract and is classified as billed in advance to customers under current liabilities.

Expenses related to sales activities and the achievement of contracts are recognized in the income statement when they are spent.

Receivables

Receivables are initially recognised at fair value adjusted for any transaction costs. Subsequently, receivables are measured at amortised cost, which usually corresponds to the nominal value. Write-down is made to net realisable value to provide for expected losses.

Prepayments

Prepayments comprise various prepaid expenses such as rent and insurance. Prepayments are measured at cost.

Equity

The reserve for hedge accounting consists of the effective portion of gains and losses on hedging instruments designated as cash flow hedges.

Dividend distribution

Dividends are recognised as a liability in the period in which they are adopted at the Annual General Meeting.

Other payable

Other payables or liabilities comprise VAT, withholding taxes, salaries costs including accruals for holiday payments. Other payable are recognized at amortized cost, which is usually equivalent to the nominal value.

Provisions

Provisions are recognized when the company as a consequence of events before or on the balance sheet date has a judical or actual liability and it is likely that economic advantages must be released to fulfill the liability. Provisions is made for fixed price agreements on the basis of an individual evaluation of each agreement.

Statement of cash flow

The cash flow statement shows the Company's cash flows during the year distributed on operating, investing and financing activities, changes in cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are calculated using the indirect method and as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from operating activities are calculated using the indirect method and as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

Key Figures

The key figures and financial ratios have been prepared for the Company. The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts (2015).

* Gross margin is calculated as the gross profit divided by revenue.
* Profit margin is calculated before special items as protit before financials divided by revenue.
* Return on equity is calculated as net profit or loss for the year divided by the average equity.
* Return on invested capital including goodwill is calculated as operating profit before special items, divided by average invested capital including goodwill.
* Revenue/invested capital including goodwill is calculated as revenue divided by average invested capital including goodwill.
* Operation margin is calculated as the operation profit divided by revenue.

Invested capital including goodwill is defined as net working capital plus property, plant and equipment and intangible assets as well as accumulated amortisation of goodwill, and minus other provisions and other long-term operating liabilities. Accumulated impairment losses on goodwill are not added.

Net working capital is defined as inventories, receivables and other operating current assets net of trade payables and other short-term operating liabilities. Receivables and income tax payables as well as cash are not included in net working capital.

2. Critical accounting estimates and judgements

Capgemini Sogeti Danmark A/S makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The judgments, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates and assumptions for the individual items are described below.

Capgemini Sogeti Danmark A/S is also subject to risks and uncertainties that may lead to actual results differing from these estimates, both positively and negatively.

Impairment test of Goodwill

Capgemini Sogeti Danmark A/S bi-annually tests whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimated projections of future performance, refer to note 9.

Deferred tax assets

Capgemini Danmark A/S recognizes deferred tax assets relating to losses carried forward when management finds that these can be offset against taxable income in the foreseeable future. An assessment is made taking into consideration the effect of restrictions in utilization in local tax legislation. Future taxable income is assessed based on budgets as well as management's expectations regarding growth and operating margin in the coming years.

In 2018, as a result of current earnings and future earnings estimates, the Company recorded deferred tax assets for the estimated amount of net operating losses that will be utilized to offset future taxable income. In future periods, management will continue to assess the probability of realization of the assets' value and adjust the valuation in accordance with IAS 12, refer to note 12.

Asset and liabilities related to contracts with customers

At the end of each accounting period, Management uses judgement when recognising fixed-price contracts in progress. Capgemini Danmark A/S uses the percentage of completion method to account for contracts in progress based on the hours used on the current project. Management's estimate of the total hours expected to be used on the projects are based on the concrete assessment of the Delivery Manager as well as historical empirical data from uniform projects. All major fixed-price projects are subject to quarterly reviews with the Management. The current estimate of revenue on contracts in progress are disclosed in note 16.

	2018 TDKK	2017 TDKK
3. Net revenue		
Sale of goods	2.217	10.572
Sale of services	310.788	310.304
Royalties / license:		
- at a point in time	5.260	0
- over time	0	6.529
	318.265	**327.405**

4. Staff expenses		
Wages and salaries	196.855	186.065
Pensions, defined contribution plans	10.967	9.208
Other staff costs	9.839	3.320
	217.661	**198.593**
Average number of full time employees	292	284

Key Management Compensation

Key Management includes Board of Directors and Executive Management in total 2 persons by end 2018. The compensation paid or payables to key management for employee services is shown below:

Wages and salaries	2.718	4.252
Pensions, defined contribution plans	147	113
Other long-term benefits	1.055	1.776
Termination benefits	0	1.799
	3.920	**7.940**

Compensation to the Board of Directors and Executive Management

Compensation to the Board of Directors	0	0
Compensation to the Executive Management	3.920	7.940
	3.920	**7.940**

Management of the company has been vested 1.500 performance shares in the parent company Capgemini SE at 1. of August 2018. The performance has a 4 year vesting period. At year-end 3.100 shares were outstanding. In the accounting year 1.500 performance shares has been exercised. The fair value of the performance shares correspond to the share price of TDKK 582 at granting date.

The total fair value at grant date amounts to TDKK 1.978 for outstanding shares. The performance shares granted in 2015, 2016, 2017 and 2018 also has a 4 year vesting period. No shares where granted in 2018.

Performance shares

Outstanding at 1. january	4.600	6.750
Granted in the year	0	850
Exercised in the year	1.500	3.000
Outstanding at 31. of december	**3.100**	**4.600**

	2018 TDKK	2017 TDKK
5. Amortisation, depreciation and impairment losses		
Depreciation of tangible assets	712	587
Impairment loss	0	0
	712	**587**

Depreciation of tangible assets of 712 TDKK is recognized in production costs.

6. Financial income		
Exchange rate adjustments	2.611	1.124
Interest income, group company	0	4
	2.611	**1.128**
7. Financial expenses		
Interest expenses, bank borrowings	(1)	0
Interest expenses, group company	(68)	(53)
Exchange rate adjustments	(1.842)	(95)
Other financial expenses, including bank fees	(89)	(43)
	(2.000)	**(191)**
8. Tax on profit for the year		
Current tax:		
Current tax on profits for the year	0	0
Adjustment regarding prior year's income tax	21	(155)
Total current tax income	**21**	**(155)**
Deferred tax:		
Increase/(decrease) in deferred tax assets	1.139	(2.966)
Previously unrecognised tax losses now recouped	0	6.499
Total deferred tax	**1.139**	**3.533**
Income tax for the period	**1.160**	**3.378**
Income tax is specified as follows:		
Calculated 22.0% tax on profit for the year before income tax	824	(2.605)
Tax effects of:		
Non-deductable expenses	(46)	(51)
Adjustments in respect of prior years	21	(155)
Previously unrecognised tax losses now recouped	0	6.499
Other	361	(310)
	1.160	**3.378**
Effective tax rate	31,0%	-28,5%

9. Intangible assets

	Goodwill TDKK	Total TDKK
Cost:		
At 01.01.2017	0	0
Additions during the year	26.365	26.365
At 31.12.2017	26.365	26.365
Amortisation and impairment:		
At 01.01.2017	0	0
Impairment	0	0
At 31.12.2017	0	0
Carrying amount 31.12.2017	**26.365**	**26.365**
Cost:		
At 01.01.2018	26.365	26.365
Disposal during the year	0	0
At 31.12.2018	26.365	26.365
Amortisation and impairment:		
At 01.01.2018	0	0
Disposal	0	0
Impairment	0	0
At 31.12.2018	0	0
Carrying amount 31.12.2018	**26.365**	**26.365**

Impairment test for goodwill

Goodwill is monitored by management at company level. The recognised goodwill in 2018 exclusively relates the acquisition in 2016 of the Danish branch IGATE Computer Systems (UK) Limited.

The acquired activity are fully integrated in the company's activity but management do monitor the acquired activity separately. The acquired activity is considered separately for the CGU for impairment purposes.

The Company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each company operates.

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

	2018	**2017**
Operating margin	8,9%	7,0%
Working Capital in % of Revenue	4,8%	2,0%
Long term growth rate	2,0%	3,0%
Pre-tax discount rate	9,0%	6,7%

The impairment test is based on assumtions regarding business with large accounts in the financial sector. Also it is based the delivery of advanced solutions within digital product engineering and services to high tech manufacturers in Denmark.

10. Property, plant and equipment

	Hardware TDKK	Other fixtures and fittings, tools and equip-ment TDKK	Lease-hold improve ments TDKK	Total TDKK
Cost:				
At 01.01.2017	8.556	4.012	2.226	14.794
Additions during the year	0	897	508	1.405
Disposals during the year	(8.017)	(430)	(1.696)	(10.143)
At 31.12.2017	539	4.479	1.038	6.056
Amortisation and impairment:				
At 01.01.2017	8.556	3.019	1.998	13.573
Depreciation charge	0	427	160	587
Disposal	(8.017)	(430)	(1.662)	(10.109)
At 31.12.2017	539	3.016	496	4.051
Carrying amount 31.12.2017	**0**	**1.463**	**542**	**2.005**

	TDKK	TDKK	TDKK	TDKK
Cost:				
At 01.01.2018	539	4.479	1.038	6.056
Additions during the year	0	207	270	477
Disposals during the year	0	0	0	0
At 31.12.2018	539	4.686	1.308	6.533
Amortisation and impairment:				
At 01.01.2018	539	3.016	496	4.051
Depreciation charge	0	536	176	712
Disposal	0	0		0
At 31.12.2018	539	3.552	672	4.763
Carrying amount 31.12.2018	**0**	**1.134**	**636**	**1.770**

11. Financial assets	**Deposit TDKK**	**Total TDKK**
Cost:		
At 01.01.2017	2.037	2.037
Additions during the year	1	1
Disposals during the year	(494)	(494)
At 31.12.2017	**1.544**	**1.544**
At 01.01.2018	1.544	1.544
Additions during the year	0	0
Disposals during the year	(34)	(34)
At 31.12.2018	**1.510**	**1.510**

	2018 TDKK	2017 TDKK
12. Deferred tax		
At 01.01.2018	13.315	9.782
Deferred tax reccognised in the income statement	1.139	3.533
At 31.12.2018	**14.454**	**13.315**
Deferred tax relates to:		
Intangible assets	9.296	9.240
Property, plant and equipment	1.917	1.753
Non corrected audit differences	169	0
Tax loss carry-forwards	12.288	11.538
Write down	(9.216)	(9.216)
	14.454	**13.315**

At December 31, 2018, potentially income tax assets totaled TDKK 12,288 (2017: TDKK 11,538) in respect of tax losses carryforward amounting to TDKK 55,854. The losses can be carried forward against future taxable income. In 2018, Capgemini Danmark A/S recorded deferred tax assets totaling TDKK 14,454 (2017: TDKK 13,315), which represents the net tax benefit that the Company considers probable to be realized through the year 2019-2021, based on Company budget for 2019, and estimates for 2020 and 2021.

In accordance with IAS 12, Capgemini Danmark A/S recognizes deferred tax assets arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by Capgemini Danmark A/S. The estimated tax benefit is calculated considering recent historical levels of income, expectations and risks associated with estimates of future taxable income.

Capgemini Danmark A/S has unrecognised tax asset from tax losses amounting to TDKK 9,216 (2017:TDKK 9,216), which management has not recognised due to uncertainty. The unrecognised tax losses can be carried forward undefinetely.

The calculation utilizes the statutory tax rates that are expected to apply to taxable income for the years in which the asset is expected to be realized.

	2018 TDKK	2017 TDKK
13. Trade receivables		
Trade receivables and other receivables at 31.12.2018	49.400	54.505
Less provision for impairment of trade receivables	(876)	(876)
Trade receivables net	**48.524**	**53.629**
Movement on the Company provision for impairment of trade receivables are as follows:		
Opening balances	(876)	(876)
Allowances during the year	0	0
Write-offs during the year	0	0
At 31.12.2018	**(876)**	**(876)**

Management has evaluated the impact of IFRS 9 and the expected loss model on the receivables and consider the effects to be immaterial for the annual report 2018.

Allocation of overdue net receivables (not written off) by maturity period are as follows:		
Up to 30 days	13.552	14.419
Between 31 and 90 days	2.478	4.933
Between 91 and 365 days	220	2.377
Overdue net receivables at 31.12.2018	**16.250**	**21.729**

	2018 TDKK	2017 TDKK
14. Financial assets and liabilities		
Carrying amount		
Financial assets		
Financial assets measured at amortised cost:		
Loans and receivables:		
Trade receivables	48.524	53.629
Other receivables	337	2.038
Cash and cash equivalents	12.831	18.980
Total Loans and receivables	**61.692**	**74.647**
Total	**61.692**	**74.647**

	2018 TDKK	2017 TDKK
Financial liabilities:		
Financial liabilities measured at amortised cost		
Trade payables	10.144	8.477
Other payables	49.649	39.113
Total Financial liabilities measured at amortised cost	**59.793**	**47.590**
Total	**59.793**	**47.590**

Fair values are approximately the same as the carrying amounts.

15. Share capital
The share capital is broken down as follows:

	Number of shares	Nominal value, TDKK
Shares	27.139	27.139
Share capital at 31.12.2018	**27.139**	**27.139**

No share hold any special rights.

	TDKK
Changes in share capital:	
Share capital at 01.01.2018	27.139
Shares issued	0
Share capital at 31.12.2018	**27.139**

Capital management
Capgemini Danmark A/S' objectives for capital management are to safeguard the ability to continue as a going concern in order to provide returns for the parent company and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Management and the parent company monitor the share and capital structure to ensure that the company's capital resources support the Group's strategic goals. Through a close dialogue with its parent company, Capgemini Danmark A/S has been able to decide on funding of strategic initiatives within a very short time frame.

	2018 TDKK	2017 TDKK

16. Asset and liabilities related to contracts with customers

Capgemini Danmark A/S has recognised the following assets and liabilities related to contract with customers:

	2018 TDKK	2017 TDKK
Current contract asset relating to consulting contracts	12.008	1.597
Loss allowance	0	0
Total contract assets	**12.008**	**1.597**

	2018 TDKK	2017 TDKK
Contract liabilites consulting contracts	9.593	10.093
Contract liabilites licens contract	0	0
Total current contract liabilities	**9.593**	**10.093**

17. Other payables

	2018 TDKK	2017 TDKK
Accrued VAT, A-tax, ATP etc.	10.700	6.940
Accrued vacation pay, wages, bonuses etc.	38.113	30.712
Other accrued expenses	836	1.461
	49.649	**39.113**

18. Related parties
The Company is controlled by Sogeti S.A.S, which owns 100 % of the shares. The Company's ultimate parent is Capgemini SE, France.

The disclosure of "Key management compensation" is presented in note 4.

The following transactions were carried through with related parties:

Sales of goods and services		
Sale of royalties / license to other related parties	4.129	8.048
Sals of services to other related parties	26.441	18.971
	30.570	**27.019**
Purchase of goods and services		
Purchase of management services from parent	6.808	10.075
Purchase of management services from other related parties	2.163	1.414
Purchases of goods from other related parties	0	1.152
Purchases of services from other related parties	37.713	37.709
	46.684	**50.350**
Transactions with Parent:		
Receivables from parent	0	0
	0	**0**
Payables to parent	525	0
	525	**0**
Transactions with other related parties:		
Receivables from other related parties	7.018	8.530
	7.018	**8.530**
Payables to other related parties	8.566	6.503
	8.566	**6.503**

19. Commitments and contingent liabilities
Operating leases

The Company has entered into a lease on office premises.The lease is non-cancellable for 60 months.

Operating lease commitments:	2018 TDKK	2017 TDKK
Due within 1 year	4.042	4.303
Due between 1 and 5 years	10.353	11.684
Due after 5 years	0	0
	14.395	**15.987**
Expensed payments during the year relating to operating leases	5.141	6.854

Lease commitments relate primarily to office and car rental.

	2018 TDKK	2017 TDKK
20. Cash flow statement		
Adjustments		
Financial income	(2.611)	(1.128)
Financial expenses	2.000	191
Depreciation, amortisation and impairment losses, including losses and gains on sales	712	587
Tax on profit/loss for the year	(1.160)	(3.378)
	(1.059)	**(3.728)**
Change in working capital		
Change in receivables	2.896	30.362
Change in trade payables, etc.	6.176	(15.785)
Other provision	0	0
	9.072	**14.577**

21. Cash at banks

Capgemini Danmark A/S' bank account in Handelsbanken is a part of a Nordic Cash pool which is managed by Capgemini Sverige AB. The bank account in Handelsbanken has been reported as receivable from cash pool related parties and therfore not a part of cash in hand and at banks.

22. Financial risk management

Financial risk factors

The Financial risks of the Company are managed centrally. The overall risk management guidelines and policies have been approved by the board of directors. Company finance identifies and evaluates in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

Foreign exchange risk

The Company operates primarely nationally and sales revenue is only to a small degree exposed to foreign exchange risk, primarily with respect to the EUR. Some operating costs are incurred in PLN and INR but not hedged. Increases or decreases in the exchange rate of such foreign currencies against the functional currency, the DKK, can affect the Company's results and cash position negatively or positively. The exchange risk is considered limited.

Interest rate risk

Capgemini Danmark A/S has only very limited trade payable and no long term debts. The interest rate risk therefore arises from the group cash pool and is considered limited.

Credit risks

Credit risk is managed by the finance department. For banks and financial institutions, only independently rated parties which are accepted by the group are used.

As for customers, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Capgemini Danmark's clients consists almost exclusively of either public accounts (government and local authorities) or well-exposed Danish large-CAP or mid- CAP companies. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Management. The compliance with credit limits by customers is regularly monitored by line management.

Liquidity risk

Cash flow forecasting is performed by the finance department. The finance department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its cash pool agreement with the Capgemini group at all times.

The Company has undrawn borrowing facilities of TDKK 25,000, that may be available for future operating activities and to settle capital commitments.

22. Financial risks (continued)

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivatives	Less than 1 year TDKK	1-3 years TDKK	>3 years TDKK	Total TDKK
At 31.12.2017				
Trade payables	8.477	0	0	8.477
Other payables	821	0	0	821
	9.298	**0**	**0**	**9.298**
At 31.12.2018				
Trade payables	10.144	0	0	10.144
Other payables	0	0	0	0
	10.144	**0**	**0**	**10.144**

23. Events after the balance sheet date

Subsequent to the balance sheet date, no other events that could significantly affect the financial statements as of 31 December 2018 have occurred.