martinsen
Rådgivning & Revision

Prokura A/S

Store Kongensgade 59A, 3, 1264 København

Annual report

2023

Company reg. no. 31 26 33 52

The annual report was submitted and approved by the general meeting on the 27 June 2024.

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Christian Bang-Pedersen
Chairman of the meeting

Contents

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

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Prokura A/S for the financial year 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

København, 27 June 2024

Managing Director

Christian Bang-Pedersen

Board of directors

Geir Olsen

Michael Strohmer

James Frederick Dyall

Ola Engebretsen

Independent auditor's report

To the Shareholders of Prokura A/S

Opinion

We have audited the financial statements of Prokura A/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, statement of cash flows and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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.

Independent auditor's report

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.

Statement on Management’s Review
Management is responsible for 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.

Independent auditor's report

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, we conclude that Management’s Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management’s Review.

Copenhagen, 27 June 2024

Martinsen
State Authorised Public Accountants
Company reg. no. 32 28 52 01

Chris Winther Bjørholm Dyhr
State Authorised Public Accountant
mne34473

Company information

The company	Prokura A/S Store Kongensgade 59A, 3 1264 København	
	Company reg. no.	31 26 33 52
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December 16th financial year
Board of directors	Geir Olsen Michael Strohmer James Frederick Dyall Ola Engebretsen	
Managing Director	Christian Bang-Pedersen	
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø	
Parent company	Prokura Management Consulting ApS	
Participating interest	A.T. Kearney P/S, , Copenhagen	

Financial highlights

DKK in thousands.	2023	2022	2021	2020	2019
Income statement:					
Gross profit	60.051	53.036	48.911	41.665	33.289
Profit from operating activities	-3.863	7.387	14.849	9.103	6.501
Net financials	128	-277	-872	870	97
Net profit or loss for the year	-3.081	5.645	10.881	7.709	6.598
Statement of financial position:					
Balance sheet total	43.154	62.341	42.847	39.270	30.195
Investments in property, plant and equipment	1.632	2.133	3.962	146	291
Equity	22.196	25.277	19.632	15.276	16.795
Cash flows:					
Operating activities	-15.009	19.070	406	-2.422	-1.492
Investing activities	-1.832	-2.390	-105	-1.160	195
Financing activities	0	-3.493	958	3.804	-2.027
Total cash flows	-16.842	13.188	1.258	221	0
Employees:					
Average number of full-time employees	58	44	41	37	25
Key figures in %:					
Acid test ratio	183,0	155,6	-	-	-
Solvency ratio	51,4	40,5	45,8	38,9	55,6
Return on equity	-13,0	25,1	62,3	48,1	94,5

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management´s review

Description of key activities of the company

Prokura A/S is the Danish operating entity within the Prokura management consulting group. The main operating focus is delivering management consulting services to medium and large sizes clients. The company specializes in advising on procurement and supply chain topics where they are a market leader in Denmark and part of the Prokura group which is market leading in Scandinavia. The clients include some of the largest cooperations in Denmark and Scandinavia as well as increasingly throughout Europe.

Development in activities and financial matters

Overall Prokura A/S has seen continued growth compared to previous years. The gross profit for the year totals DKK 60.051.000 against DKK 53.036.000 last year. Income or loss from ordinary activities after tax totals DKK -3.081.000 against DKK 5.645.000 last year.

The growth has been driven, among other things, by reaping synergies with Kearney which owns the Prokura group. This had led to a larger part of growth originating from projects outside Denmark and generally to a larger project size.

In terms of cost levels Prokura A/S serves as the head quarter for the group and hence has a considerable backbone which has been further strengthened in 2023 and which has hence driven up costs.

The lower net profit result of the company is mainly driven by the above as well as costs associated with being part of a global group. Management considers the loss for the year unsatisfactory.

Market outlook

Prokura expects the sub-market within management consulting services focused on procurement and supply chain to continue to develop positively over the next 1-3 years. The expected drivers will be a return to normal supply and raw material situations which will drive increased pressure on procurement organizations to deliver cost improvements as well as general market trends related to for example digitization and sustainability. Both of which are expected to generate additional need for management consulting services within this field. Net profit for 2024 is expected between 2 M. DKK - 5 M. DKK.

As the market leader in the field Prokura is well positioned to take a strong position in this market growth – fueled also further by now being part of the global management consultancy, Kearney.

Description of the company’s intellectual capital

Prokura is a leading provider of management consulting services within procurement and supply chain and specializes solely in this field. Consequently, we have built a market leading base of consultants with deep experience within these fields. This also includes experts within sub-areas like S&OP, digital procurement and the likes. In addition to the base of consultants we have built a range of assets to support us in delivering maximum impact to our clients.

Management´s review

Events occurring after the end of the financial year

There have been no material events after the balance sheet date, that impacts the numbers reported in this report.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2023	2022
	Gross profit	**60.050.895**	**53.035.543**
1	Staff costs	-62.016.866	-43.974.793
	Depreciation, amortisation, and impairment	-1.897.344	-1.673.942
	Operating profit	**-3.863.315**	**7.386.808**
	Other financial income from subsidiaries	216.061	0
	Other financial income	109.927	8.968
2	Other financial expenses	-198.333	-286.049
	Pre-tax net profit or loss	**-3.735.660**	**7.109.727**
	Tax on net profit or loss for the year	654.895	-1.464.992
3	**Net profit or loss for the year**	**-3.080.765**	**5.644.735**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2023	2022
	Non-current assets		
4	Acquired concessions, patents, licenses, trademarks, and similar rights	301.650	433.354
	Total intangible assets	301.650	433.354
5	Other fixtures, fittings, tools and equipment	4.296.918	4.430.045
	Total property, plant, and equipment	4.296.918	4.430.045
6	Investment in participating interest	200.000	0
	Total investments	200.000	0
	Total non-current assets	**4.798.568**	**4.863.399**
	Current assets		
	Trade receivables	19.773.215	22.845.053
7	Contract work in progress	3.508.067	2.444.380
	Receivables from group enterprises	12.334.664	15.010.616
8	Deferred tax assets	653.000	0
	Other receivables	1.136.248	2.392.936
9	Prepayments	583.576	0
	Total receivables	37.988.770	42.692.985
	Cash and cash equivalents	367.069	14.784.244
	Total current assets	**38.355.839**	**57.477.229**
	Total assets	**43.154.407**	**62.340.628**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2023	2022
	Equity		
	Contributed capital	500.000	500.000
	Retained earnings	21.695.988	24.776.753
	Total equity	**22.195.988**	**25.276.753**
	Provisions		
	Provisions for deferred tax	0	123.000
	Total provisions	**0**	**123.000**
	Liabilities other than provisions		
	Bank loans	2.574.455	0
7	Prepayments received from customers concerning work in progress for the account of others	3.995.035	2.445.349
	Trade payables	589.044	945.757
	Payables to group enterprises	513.275	22.868.693
	Income tax payable to group enterprises	0	1.597.992
	Other payables	13.286.610	9.083.084
	Total short term liabilities other than provisions	20.958.419	36.940.875
	Total liabilities other than provisions	**20.958.419**	**36.940.875**
	Total equity and liabilities	**43.154.407**	**62.340.628**

10 Charges and security

11 Contingencies

12 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	500.000	19.132.018	19.632.018
Profit or loss for the year brought forward	0	5.644.735	5.644.735
Equity 1 January	500.000	24.776.753	25.276.753
Profit or loss for the year brought forward	0	-3.080.765	-3.080.765
	500.000	**21.695.988**	**22.195.988**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		2023	2022
	Net profit or loss for the year	-3.080.765	5.644.735
13	Adjustments	1.114.794	3.416.015
14	Change in working capital	-11.601.886	10.094.615
	Cash flows from operating activities before net financials	-13.567.857	19.155.365
	Interest received, etc.	278.161	283
	Interest paid, etc.	-560	-85.273
	Cash flows from ordinary activities	-13.290.256	19.070.375
	Income tax paid	-1.719.097	0
	Cash flows from operating activities	**-15.009.353**	**19.070.375**
	Purchase of intangible assets	0	-256.570
	Purchase of property, plant, and equipment	-1.632.334	-2.133.416
	Acquisition of enterprise	-200.000	0
	Cash flows from investment activities	**-1.832.334**	**-2.389.986**
	Dividends distributed	0	-3.492.606
	Cash flows from financing activities	**0**	**-3.492.606**
	Change in cash and cash equivalents	**-16.841.687**	**13.187.783**
	Cash and cash equivalents at 1 January	14.784.244	1.788.554
	Foreign currency translation adjustments (cash and cash equivalents)	-149.943	-192.093
	Cash and cash equivalents at 31 December	**-2.207.386**	**14.784.244**

	2023	2022
Cash and cash equivalents		
Cash and cash equivalents	367.069	14.784.244
Short-term bank loans	-2.574.455	0
Cash and cash equivalents at 31 December	**-2.207.386**	**14.784.244**

Accounting policies

The annual report for Prokura A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Accounting policies

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

Accounting policies

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-10 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Accounting policies

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Accounting policies

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Accounting policies

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Prokura A/S is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand with deduction of short-term bank debts and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

Notes

All amounts in DKK.

		2023	2022
1.	**Staff costs**		
	Salaries and wages	58.196.995	40.950.596
	Pension costs	3.393.865	2.648.407
	Other costs for social security	426.006	375.790
		62.016.866	**43.974.793**
	Average number of employees	58	44

The Board of Directors and the Executive Board do not receive separate remuneration for the performance of duties in the Leadership Team or Executive Board.

		2023	2022
2.	**Other financial expenses**		
	Other financial costs	198.333	286.049
		198.333	**286.049**
3.	**Proposed distribution of net profit**		
	Transferred to retained earnings	0	5.644.735
	Allocated from retained earnings	-3.080.765	0
	Total allocations and transfers	**-3.080.765**	**5.644.735**
4.	**Acquired concessions, patents, licenses, trademarks, and similar rights**		
	Cost 1 January	669.875	413.305
	Adjustment	179	0
	Additions during the year	0	256.570
	Cost 31 December	**670.054**	**669.875**
	Amortisation and write-down 1 January	-236.521	-169.994
	Amortisation for the year	-131.883	-66.527
	Amortisation and write-down 31 December	**-368.404**	**-236.521**
	Carrying amount, 31 December	**301.650**	**433.354**

Notes

All amounts in DKK.

		31/12 2023	31/12 2022
5.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 January	8.807.080	6.673.664
	Additions during the year	1.632.334	2.133.416
	Cost 31 December	**10.439.414**	**8.807.080**
	Amortisation and write-down 1 January	-4.377.035	-2.769.620
	Depreciation for the year	-1.765.461	-1.607.415
	Amortisation and write-down 31 December	**-6.142.496**	**-4.377.035**
	Carrying amount, 31 December	**4.296.918**	**4.430.045**
6.	**Investment in participating interest**		
	Additions during the year	200.000	0
	Cost 31 December	**200.000**	**0**
	Carrying amount, 31 December	**200.000**	**0**

Participating interest:

	Domicile	Equity interest
A.T. Kearney P/S	Copenhagen	10 %

		31/12 2023	31/12 2022
7.	**Contract work in progress**		
	Sales value of the production of the period	12.602.021	2.444.380
	Progress billings	-13.088.989	-2.445.349
	Contract work in progress, net	**-486.968**	**-969**
	The following is recognised:		
	Work in progress for the account of others (current assets)	3.508.067	2.444.380
	Work in progress for the account of others (prepayments received)	-3.995.035	-2.445.349
		-486.968	**-969**

Notes

All amounts in DKK.

		31/12 2023	31/12 2022
8.	**Deferred tax assets**		
	Deferred tax assets 1 January	-123.000	-256.000
	Deferred tax of the results for the year	776.000	133.000
		653.000	**-123.000**
	The following items are subject to deferred tax:		
	Intangible assets	-67.000	-95.000
	Property, plant, and equipment	-8.000	-84.000
	Current assets	-193.000	56.000
	Losses carried forward to next years	921.000	0
		653.000	**-123.000**
9.	**Prepayments**		
	Prepaid insurance	190.283	0
	Other prepayed costs	393.293	0
		583.576	**0**

10. Charges and security

There are no pledges of rights or collateral at 31 December 2023.

11. Contingencies

Joint taxation

With Prokura Management Consulting ApS, company reg. no 34883149 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

Notes

All amounts in DKK.

11. Contingencies (continued)

Joint taxation (continued)

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

12. Related parties

Consolidated financial statements

The company is included in the consolidated financial statements of A.T. Kearney Limited, 1-11 John Adam Street, London WC2N 6HT

13. Adjustments

Depreciation, amortisation, and impairment	1.897.344	1.673.942
Other financial income	-325.988	-8.968
Other financial expenses	198.333	286.049
Tax on net profit or loss for the year	-654.895	1.464.992
	1.114.794	**3.416.015**

14. Change in working capital

Change in receivables	5.357.214	-5.781.991
Change in trade payables and other payables	-16.958.918	15.876.606
Other changes in working capital	-182	0
	-11.601.886	**10.094.615**