Implement Consulting Group P/S

Strandvejen 54, DK-2900 Hellerup

Annual Report for 1 July 2017 - 30 June 2018

CVR No 32 76 77 88

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 11/10 2018

Tina Moltke-Leth
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Implement Consulting Group P/S for the financial year 1 July 2017 - 30 June 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 June 2018 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2017/18.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Hellerup, 11 October 2018

Executive Board

Niels Olaf Ahrengot

Board of Directors

Stig Skov Albertsen Chairman	Lars Saur Feldstedt	Tor Nonnegaard-Pedersen
Henrik Horn Andersen	Palle Thesbjerg Mehlsen	

Independent Auditor's Report

To the Shareholders of Implement Consulting Group P/S

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2018 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 July 2017 - 30 June 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Implement Consulting Group P/S for the financial year 1 July 2017 - 30 June 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the 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 Group 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
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.

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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or 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 judgement and maintain professional scepticism 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 and the Group'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 Group's and 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 Group and 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Hellerup, 11 October 2018
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob F Christiansen	Henrik Ødegaard
State Authorised Public Accountant	State Authorised Public Accountant
mne18628	mne31489

Company Information

The Company	Implement Consulting Group P/S Strandvejen 54 DK-2900 Hellerup
	CVR No: 32 76 77 88 Financial period: 1 July - 30 June Incorporated: 31 January 2010 Financial year: 9th financial year Municipality of reg. office: Gentofte
Board of Directors	Stig Skov Albertsen, Chairman Lars Saur Feldstedt Tor Nonnegaard-Pedersen Henrik Horn Andersen Palle Thesbjerg Mehlsen
Executive Board	Niels Olaf Ahrengot
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2017/18	2016/17	2015/16	2014/15	2013/14
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	1.145.718	922.126	754.619	680.600	592.720
Operating profit/loss	217.950	170.082	135.864	112.597	92.467
Net financials	-4.700	3.266	466	2.739	-1.147
Net profit/loss for the year	206.130	168.442	131.775	113.640	89.050
Balance sheet					
Balance sheet total	795.826	589.290	472.220	415.409	385.468
Equity	523.325	371.309	285.769	246.974	222.383
Cash flows					
Cash flows from:					
- operating activities	181.703	180.844	166.722	145.466	114.249
- investing activities	-8.054	-8.871	-21.381	-18.193	2.458
- financing activities	-54.114	-82.744	-94.642	-91.101	-115.950
Change in cash and cash equivalents for the year	119.535	89.229	50.699	36.172	757
Number of employees	688	561	445	402	379
Ratios					
Gross margin	77.7%	77.3%	78.2%	75.8%	76.9%
Profit margin	19.0%	18.4%	18.0%	16.7%	15.0%
Return on assets	27.4%	28.9%	28.8%	27.1%	24.0%
Solvency ratio	65.8%	63.0%	60.5%	59.7%	58.5%
Return on equity	46.1%	51.3%	49.5%	48.0%	37.5%

For definitions, see under accounting policies.

Management's Review

Consolidated and Parent Company Financial Statements of Implement Consulting Group P/S (hereinafter referred to as Implement) for 2017/18 have been prepared in accordance with Danish Financial Statements Act that apply to large enterprises of reporting class C.

Development in the year

The purpose of Implement is management consulting activities in Europe either met directly or through shareholdings of other companies.

Implement is historically a Scandinavian based consultancy firm that works globally and is present in five countries. During this financial year, Implement welcomed a new addition to the family by establishing an office in Munich. Implement now has six offices across Europe.

2017/18 has been a satisfactory year at Implement, with revenue increasing by 24% from DKK 922m to DKK 1,146m. The EBIT margin for the financial year was 19% resulting in an EBIT for the year of DKK 218m, equivalent to an increase in EBIT for the group by 28% compared to 2016/17. This is an increase of DKK 48m compared to 2016/17. Hence, the annual profit has also increased from DKK 168m to DKK 206m.

Likewise, Implement's balance sheet presents increases. As of 30 June 2018, the balance sheet shows total assets of DKK 796m – an increase of 35% in comparison with the previous year, mainly due to higher cash balances. Equity at the end of the year amounted to 66% of total assets. Furthermore, cash flow and cash balance have also reached new heights. Cash flow from operating activities amounted to DKK 182m, an improvement of DKK 1m, and the total cash and cash equivalents balance increased by DKK 119m compared with the previous year.

Management is satisfied with the results achieved, which are in line with the expectations for the year. Management expects the company's success and growth to continue, with revenue and earnings expected to continue to rise in the coming fiscal year.

Management does not consider Implement to be subject to any unusual risk and Implement has no significant events to report after the expiration of the financial year. Moreover, it is management's opinion that the items included in the financial statement for 2017/18 are not subject to any significant recognition and measurement uncertainties.

Research and development activities

Implement's most valuable asset is our employees. Therefore, focussing on initiatives to attract, develop and retain the best and most competent consultants in Europe within our fields of expertise is at the top of management's agenda. Our ambition is to be the best place for the best people. Implement strives to develop and challenge advisory services by investing time and knowledge in employees and sharing knowhow internally as well as externally with clients and through published works.

Management's Review

Employees

It is Implement's ambition to continuously increase diversity in leadership roles and positions in general – and this goes for gender, age, nationality, preferences etc. We consciously strive to create multiple non-hierarchical ways of influencing our agendas, so that as many voices as possible are heard and as many initiatives as possible are "rolled up" rather than "rolled out". This is done to create as many informal leadership roles as possible, so that everyone who has "activist" energy has the opportunity to influence the way we work and act and can play a key role, regardless of level, rank, preferences etc.

Implement employs the best candidates without regard to gender, age etc., and we work continuously to make everyone aware of their own individual biases that can inhibit the ambition of diversity.

In 2015, Implement established a Diversity Group and began having workshops with the purpose of increasing diversity in Implement, both by increasing the number of nationalities and by creating higher gender equality. The continual goal is to have more women in senior leadership positions and as positive role models. Today, the Board of Directors consists of 5 men and 0 women; the target is to reach at least one woman by the year 2020. At other management levels, the representation in 2017/18 is 89% men and 11% women. The ambition is to change this, despite not having achieved the target during this financial year.

Furthermore, a comprehensive quantitative gender diversity analysis was conducted to establish a qualified foundation for discussing gender diversity at the board meeting in August 2018. The analysis was based on data for the time periods 2015, 2016, 2017 and 2018, and it focussed on five key topics: representation, compensation, advancement, recruitment and retention.

According to the quantitative analysis, the representation in 2018 is 66% male and 34% female employees. We have made efforts to call in highly diverse qualified candidates for our recruitment interviews and we continue to do so.

As for social issues, Implement has a low employee churn (7.8% for male consultants and 9.7% for female consultants), low absenteeism and an inclusive HR policy.

Management's Review

Corporate social responsibility

Creating a sustained positive impact on society is a central ambition at Implement and has been for many years. As a company, our aim is to aid the transformation of organisations, helping them meet their goals and achieve their full potential. Implement has had a formal CSR strategy since 2008. The focus of the formal CSR strategy is to support organisations with projects that would otherwise not have been carried out. Many of the projects that Implement undertakes have a positive impact on global development, also when measured in terms of the current UN sustainable development goals. Although Implement has a strategy in place, no formal policies on social responsibility, such as human rights, the environment and the fight against corruption and fraud, have been adopted.

The activities of Implement do not in any material way have a negative impact on the environment. Where the activities do impact our surroundings, Implement continues to explore opportunities to limit this effect and is continually looking for ways to reduce both energy consumption and wasteful use of resources.

Implement collaborates with a range of non-governmental and volunteer organisations. Each year, consultants sign up based on individual interest to assist a handful of organisations with specific projects. These projects are decided on based on expected impact, Implement's ability to make a difference through our consultants' skills and ultimately, the devotion of the involved consultants to making a difference. Hence, rather than giving cash donations, we offer our skills and insights. We have actively contributed to the efforts of specific organisations by putting knowledge, abilities and consulting skills to work for projects and initiatives in the fields of social integration, education and development.

Over the years, Implement has supported a range of different projects aiming at creating a positive societal impact. Amongst others, Implement supported the following projects in 2018:

UN Sustainable Development Goals (SDGs)

Implement has sought to incorporate the SDGs and find a way to engage individual consultants in development efforts that they feel a personal connection to. Instead of picking one or two corporate goals, this has resulted in a range of activities aimed at several of the SDG goals. Among others, initiatives include working with smarter and more sustainable cities, resource consumption within Implement, furthering gender equality both within Implement and in client organisations and finally, looking at ways of measuring the impact of public sector projects on reducing inequality.

Nørrebro Project Academy (Projektakademiet)

For many years now, Implement has helped KBH+ Project Academy train young people in project management, collaborative relationships and facilitation as part of a 10-month training programme. Over the years, KBH+ Project Academy has been the starting point for a wide range of cultural and social projects of which several are an ongoing part of the culture that Nørrebro is now known for.

Management's Review

Mind Your Own Business (MYOB)

Implement is part of a collaboration with MYOB, an organisation that works with boys aged 13-21 years old from socially disadvantaged neighbourhoods and supports them in founding a micro company. The collaboration was initiated in 2017, when Implement was delivering team boosting workshops for micro companies. The collaboration was further developed in the subsequent year to include workshops with the volunteers who work with the micro companies, focussing on strengthening their facilitation skills and deepening the understanding around group dynamics to further the output for micro companies.

Found Aid (Ventilen)

Implement has been engaged in a new partnership with Found Aid which is building a platform that facilitates increased and improved collaboration between foundations and consulting firms. The first pilot project with Found Aid was launched at Implement in August 2018, where three consultants assisted the NGO Ventilen with a review of the organisation's general operations. The aim of the project is to assist Ventilen in applying for additional funding to support their administrative operations.

Income Statement 1 July - 30 June

	Note	Group 2017/18 DKK	Group 2016/17 DKK	Parent 2017/18 DKK	Parent 2016/17 DKK
Revenue	2	**1.145.717.504**	**922.126.043**	**949.972.082**	**749.593.336**
Other external expenses		-255.706.486	-209.393.288	-224.133.027	-177.159.460
Gross profit/loss		**890.011.018**	**712.732.755**	**725.839.055**	**572.433.876**
Staff expenses	3	-652.807.928	-524.671.379	-516.591.725	-402.369.785
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-19.253.522	-17.979.137	-13.534.388	-12.687.595
Profit/loss before financial income and expenses		**217.949.568**	**170.082.239**	**195.712.942**	**157.376.496**
Income from investments in subsidiaries		0	0	15.537.979	10.060.246
Financial income		2.954.633	5.360.942	1.183.977	887.675
Financial expenses		-7.654.953	-2.095.302	-7.320.540	-1.348.290
Profit/loss before tax		**213.249.248**	**173.347.879**	**205.114.358**	**166.976.127**
Tax on profit/loss for the year	5	-7.119.277	-4.905.583	0	0
Net profit/loss for the year		**206.129.971**	**168.442.296**	**205.114.358**	**166.976.127**

Balance Sheet 30 June

Assets

	Note	Group 2018	Group 2017	Parent 2018	Parent 2017
		DKK	DKK	DKK	DKK
Goodwill		115.399.259	127.059.398	87.614.816	96.675.601
Intangible assets	6	**115.399.259**	**127.059.398**	**87.614.816**	**96.675.601**
Other fixtures and fittings, tools and equipment		10.274.887	10.627.147	9.164.686	9.033.280
Property, plant and equipment	7	**10.274.887**	**10.627.147**	**9.164.686**	**9.033.280**
Investments in subsidiaries	8	0	0	43.199.354	37.178.140
Other investments	9	5.085.766	3.936.465	0	0
Deposits	9	6.114.429	5.902.024	4.718.894	4.288.201
Fixed asset investments		**11.200.195**	**9.838.489**	**47.918.248**	**41.466.341**
Fixed assets		**136.874.341**	**147.525.034**	**144.697.750**	**147.175.222**
Trade receivables		271.172.090	193.355.185	225.865.526	170.832.124
Receivables from group enterprises		0	0	60.405.196	45.495.080
Other receivables		22.581.659	486.209	2.441.655	57.676
Deferred tax asset	14	293.765	1.073.391	0	0
Prepayments	10	2.819.733	3.790.160	1.500.209	2.633.154
Receivables		**296.867.247**	**198.704.945**	**290.212.586**	**219.018.034**
Current asset investments	11	**200.546.608**	**0**	**200.546.608**	**0**
Cash at bank and in hand		**161.538.147**	**243.059.562**	**81.912.185**	**153.551.791**
Currents assets		**658.952.002**	**441.764.507**	**572.671.379**	**372.569.825**
Assets		**795.826.343**	**589.289.541**	**717.369.129**	**519.745.047**

Balance Sheet 30 June

Liabilities and equity

	Note	Group 2018	Group 2017	Parent 2018	Parent 2017
		DKK	DKK	DKK	DKK
Share capital		2.191.600	1.806.965	2.191.600	1.806.965
Share premium account		115.399.259	96.675.601	87.614.816	96.675.601
Reserve for net revaluation under the equity method		0	0	38.832.968	33.511.755
Retained earnings		194.083.860	97.946.032	183.035.335	64.434.277
Proposed dividend for the year		210.000.000	173.000.000	210.000.000	173.000.000
Equity attributable to shareholders of the Parent Company		**521.674.719**	**369.428.598**	**521.674.719**	**369.428.598**
Minority interests		1.650.066	1.880.098	0	0
Equity	12	**523.324.785**	**371.308.696**	**521.674.719**	**369.428.598**
Other provisions	15	6.861.180	4.800.000	6.861.180	4.800.000
Provisions		**6.861.180**	**4.800.000**	**6.861.180**	**4.800.000**
Other payables		18.621.193	28.997.844	0	0
Long-term debt	16	**18.621.193**	**28.997.844**	**0**	**0**
Prepayments received from customers		22.629.013	10.376.020	22.038.697	9.661.531
Trade payables		21.806.579	27.381.181	17.804.700	25.251.057
Payables to group enterprises		0	0	4.716.988	3.055.283
Corporation tax		5.997.265	5.660.230	0	0
Other payables	16	196.586.328	140.765.570	144.272.845	107.548.578
Short-term debt		**247.019.185**	**184.183.001**	**188.833.230**	**145.516.449**
Debt		**265.640.378**	**213.180.845**	**188.833.230**	**145.516.449**
Liabilities and equity		**795.826.343**	**589.289.541**	**717.369.129**	**519.745.047**
Subsequent events	1				
Distribution of profit	13				
Contingent assets, liabilities and other financial obligations	19				
Fee to auditors appointed at the general meeting	20				
Accounting Policies	21				

Statement of Changes in Equity

Group

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 July	1.806.965	96.675.601	0	97.946.032	173.000.000	369.428.598	1.880.098	371.308.696
Cash capital increase	384.635	129.963.893	0	0	0	130.348.528	0	130.348.528
Net additions	0	0	0	0	0	0	401.423	401.423
Ordinary dividend paid	0	0	0	0	-173.000.000	-173.000.000	-1.647.068	-174.647.068
Net purchase of treasury shares	0	0	0	-10.216.765	0	-10.216.765	0	-10.216.765
Net profit/loss for the year	0	0	0	-4.885.642	210.000.000	205.114.358	1.015.613	206.129.971
Transfer from share premium account	0	-111.240.235	0	111.240.235	0	0	0	0
Equity at 30 June	**2.191.600**	**115.399.259**	**0**	**194.083.860**	**210.000.000**	**521.674.719**	**1.650.066**	**523.324.785**

Statement of Changes in Equity

Parent

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 July	1.806.965	96.675.601	33.511.755	64.434.277	173.000.000	369.428.598	0	369.428.598
Cash capital increase	384.635	129.963.893	0	0	0	130.348.528	0	130.348.528
Ordinary dividend paid	0	0	0	0	-173.000.000	-173.000.000	0	-173.000.000
Treasury shares	0	0	-10.216.765	0	0	-10.216.765	0	-10.216.765
Net profit/loss for the year	0	0	15.537.978	-20.423.620	210.000.000	205.114.358	0	205.114.358
Transfer from share premium account	0	-139.024.678	0	139.024.678	0	0	0	0
Equity at 30 June	**2.191.600**	**87.614.816**	**38.832.968**	**183.035.335**	**210.000.000**	**521.674.719**	**0**	**521.674.719**

Cash Flow Statement 1 July - 30 June

	Note	Group 2017/18	Group 2016/17
		DKK	DKK
Net profit/loss for the year		206.129.971	168.442.296
Adjustments	17	31.319.445	19.619.080
Change in working capital	18	-45.040.672	-9.348.275
Cash flows from operating activities before financial income and expenses		**192.408.744**	**178.713.101**
Financial income		2.954.633	5.360.956
Financial expenses		-7.654.952	-2.095.305
Cash flows from ordinary activities		**187.708.425**	**181.978.752**
Corporation tax paid		-6.005.567	-1.134.760
Cash flows from operating activities		**181.702.858**	**180.843.992**
Purchase of intangible assets		-2.310.216	-8.600.156
Purchase of property, plant and equipment		-4.979.376	-8.681.493
Fixed asset investments made etc		-764.563	8.410.207
Cash flows from investing activities		**-8.054.155**	**-8.871.442**
Minority interests		-1.245.645	-1.632.686
Net purchase of treasury shares		-10.216.765	-2.582.566
Cash capital increase		130.348.528	54.371.471
Dividend paid		-173.000.000	-132.900.000
Cash flows from financing activities		**-54.113.882**	**-82.743.781**
Change in cash and cash equivalents		**119.534.821**	**89.228.769**
Cash and cash equivalents at 1 July		243.059.562	153.990.040
Exchange adjustment of current asset investments		-509.628	-159.247
Cash and cash equivalents at 30 June		**362.084.755**	**243.059.562**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		161.538.147	243.059.562
Current asset investments		200.546.608	0
Cash and cash equivalents at 30 June		**362.084.755**	**243.059.562**

Notes to the Financial Statements

1 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

2 Revenue

	Group	
	2017/18	2016/17
	DKK	DKK
Geographical segments		
Denmark	832.247.048	702.653.311
Other Scandinavia	169.270.513	130.762.682
Other	144.199.943	88.710.050
	1.145.717.504	**922.126.043**

3 Staff expenses

	Group		Parent	
	2017/18	2016/17	2017/18	2016/17
	DKK	DKK	DKK	DKK
Wages and salaries	625.669.773	498.295.941	512.387.378	399.409.053
Pensions	6.875.943	7.400.407	1.345.967	1.109.957
Other social security expenses	20.262.212	18.975.031	2.858.380	1.850.775
	652.807.928	**524.671.379**	**516.591.725**	**402.369.785**
Average number of employees	**688**	**561**	**537**	**425**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act. No Board Fee has been paid to the Board of Directors.

Notes to the Financial Statements

	Group		Parent	
	2017/18	2016/17	2017/18	2016/17
	DKK	DKK	DKK	DKK

4 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

	Group 2017/18 DKK	Group 2016/17 DKK	Parent 2017/18 DKK	Parent 2016/17 DKK
Amortisation of intangible assets	13.970.355	13.629.506	9.060.786	9.060.786
Depreciation of property, plant and equipment	5.283.167	4.349.631	4.473.602	3.626.809
	19.253.522	**17.979.137**	**13.534.388**	**12.687.595**

5 Tax on profit/loss for the year

	Group 2017/18 DKK	Group 2016/17 DKK	Parent 2017/18 DKK	Parent 2016/17 DKK
Current tax for the year	6.340.608	4.906.540	0	0
Deferred tax for the year	778.669	-957	0	0
	7.119.277	**4.905.583**	**0**	**0**

Notes to the Financial Statements

6 Intangible assets

Group

	Goodwill
	DKK
Cost at 1 July	200.943.728
Additions for the year	2.310.216
Cost at 30 June	203.253.944
Impairment losses and amortisation at 1 July	73.884.330
Amortisation for the year	13.970.355
Impairment losses and amortisation at 30 June	87.854.685
Carrying amount at 30 June	**115.399.259**
Amortised over	10-20 years

Goodwill relates to the acquisitions of the Implement activities in connection with the restructuring in 2010 and subsequent acquisitions of subsidiaries and business activities. Goodwill related to the Implement activities is amortised over a 20 year period, whilst acquired goodwill in respect to acquisitions of subsidiaries and business activities are amortised over a 10 year period. Goodwill is tested at an aggregated level for Implement Consulting Group. The individual entities cannot be assessed separately because the value-creating processes are generated across the Group, including synergies from combined operations, economies of scale and future growth potential.

Management consider that there are no indications of impairment.

Notes to the Financial Statements

6 Intangible assets (continued)

Parent

	Goodwill
	DKK
Cost at 1 July	160.107.858
Cost at 30 June	160.107.858
Impairment losses and amortisation at 1 July	63.432.257
Amortisation for the year	9.060.785
Impairment losses and amortisation at 30 June	72.493.042
Carrying amount at 30 June	**87.614.816**
Amortised over	10-20 years

Refer to group note on page 19 for further information.

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 July	23.102.041
Exchange adjustment	-1.421.354
Additions for the year	4.979.376
Cost at 30 June	26.660.063
Impairment losses and depreciation at 1 July	12.474.893
Exchange adjustment	-1.372.884
Depreciation for the year	5.283.167
Impairment losses and depreciation at 30 June	16.385.176
Carrying amount at 30 June	**10.274.887**
Depreciated over	3-5 years

Notes to the Financial Statements

7 Property, plant and equipment (continued)

Parent

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 July	18.611.707
Additions for the year	4.605.000
Kostpris at 30 June	23.216.707
Impairment losses and depreciation at 1 July	9.578.419
Depreciation for the year	4.473.602
Impairment losses and depreciation at 30 June	14.052.021
Carrying amount at 30 June	**9.164.686**
Depreciated over	3-5 years

	Parent 2018	Parent 2017
	DKK	DKK
8 Investments in subsidiaries		
Cost at 1 July	3.666.385	3.308.989
Additions for the year	700.000	357.396
Cost at 30 June	4.366.385	3.666.385
Value adjustments at 1 July	33.511.755	26.034.075
Net profit/loss for the year	15.537.979	10.060.246
Movements on treasury shares	-10.216.765	-2.582.566
Value adjustments at 30 June	38.832.969	33.511.755
Carrying amount at 30 June	**43.199.354**	**37.178.140**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Implement Datterholding A/S	Strandvejen 54, Hellerup	DKK 500,000	100%
Implement Consulting Group Sweden AB	Ostra Järnvägsgatan 27, 111 20 Stockholm, Sweden	SEK 1,000,000	85%
Unmade P/S	Strandvejen 54, Hellerup	DKK 1,000,000	100%
ICG Learning P/S	Strandvejen 54, Hellerup	DKK 1,000,000	70%

Notes to the Financial Statements

9 Other fixed asset investments

	Group		Parent
	Other investments	Deposits	Deposits
	DKK	DKK	DKK
Cost at 1 July	3.936.465	5.902.023	4.288.201
Additions for the year	10.549.806	495.493	430.693
Disposals for the year	-9.400.505	-283.087	0
Cost at 30 June	5.085.766	6.114.429	4.718.894
Carrying amount at 30 June	**5.085.766**	**6.114.429**	**4.718.894**

10 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and other.

11 Current asset investments

	Group		Parent	
	2018	2017	2018	2017
	DKK	DKK	DKK	DKK
Bonds	200.546.608	0	200.546.608	0
	200.546.608	**0**	**200.546.608**	**0**

Notes to the Financial Statements

12 Equity

The share capital consists of 2,191,600 shares of a nominal value of DKK 1. No shares carry any special rights.

As of 30 June 2018, Implement Datterholding A/S holds 43,002 treasury shares. The total payment for the shares amounted to tDKK 13,688, which has been transferred from retained earnings under equity. In total, the Group companies hold treasury shares corresponding to 2% of total equity. During the year, the Group companies acquired 122,901 shares and sold 91,450 shares. The Group companies may choose to sell these shares at a later time. The shares have been acquired as part of the Group structure.

The limited partner owns 10% of the shares in the Parent Company.

The share capital has developed as follows:

	2017/18	2016/17	2015/16	2014/15	2013/14
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 July	1.806.965	1.612.965	1.531.500	1.531.500	1.358.000
Capital increase	384.635	194.000	81.465	0	173.500
Capital decrease	0	0	0	0	0
Share capital at 30 June	**2.191.600**	**1.806.965**	**1.612.965**	**1.531.500**	**1.531.500**

Notes to the Financial Statements

	Group		Parent	
	2017/18	2016/17	2017/18	2016/17
	DKK	DKK	DKK	DKK
13 Distribution of profit				
Proposed dividend for the year	210.000.000	173.000.000	210.000.000	173.000.000
Reserve for net revaluation under the equity method	0	0	15.537.978	7.477.680
Minority interests' share of net profit/loss of subsidiaries	1.015.613	1.466.170	0	0
Retained earnings	-4.885.642	-6.023.874	-20.423.620	-13.501.553
	206.129.971	**168.442.296**	**205.114.358**	**166.976.127**

14 Deferred tax asset

Deferred tax asset at 1 July	1.073.391	1.099.190	0	0
Amounts recognised in the income statement for the year	-779.626	-25.799	0	0
Deferred tax asset at 30 June	**293.765**	**1.073.391**	**0**	**0**

Deferred tax asset for the group make up for DKK 293,765 at 30 June 2018. The deferred tax asset is related to tax losses carried forward in subsidiaries. The company expect to utilize the asset within a three-year period.

15 Other provisions

Other provisions	6.861.180	4.800.000	6.861.180	4.800.000
	6.861.180	**4.800.000**	**6.861.180**	**4.800.000**

Other provisions consist of estimated costs for reestablishing leasehold premises and legal disputes.

Notes to the Financial Statements

16 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent	
	2018	2017	2018	2017
	DKK	DKK	DKK	DKK
Other payables				
Between 1 and 5 years	18.621.193	28.997.844	0	0
Long-term part	18.621.193	28.997.844	0	0
Within 1 year	16.192.954	5.219.160	0	0
Other short-term payables	180.393.374	135.546.410	144.272.845	107.548.578
Short-term part	196.586.328	140.765.570	144.272.845	107.548.578
	215.207.521	**169.763.414**	**144.272.845**	**107.548.578**

17 Cash flow statement - adjustments

	Group	
	2017/18	2016/17
	DKK	DKK
Financial income	-2.954.633	-5.360.942
Financial expenses	7.654.953	2.095.302
Depreciation, amortisation and impairment losses, including losses and gains on sales	19.499.848	17.979.137
Tax on profit/loss for the year	7.119.277	4.905.583
	31.319.445	**19.619.080**

18 Cash flow statement - change in working capital

Change in receivables	-89.165.366	-40.178.065
Change in other provisions	2.061.180	1.085.000
Change in trade payables, etc	42.063.514	29.744.790
	-45.040.672	**-9.348.275**

Notes to the Financial Statements

	Group		Parent	
	2018	2017	2018	2017
	DKK	DKK	DKK	DKK
19 Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	14.655.025	15.216.202	9.790.499	8.456.928
Between 1 and 5 years	26.967.996	39.981.807	18.079.389	22.727.155
	41.623.021	**55.198.009**	**27.869.888**	**31.184.083**

Other contingent liabilities

As of 30 June 2018, DNB has registered title in factoring agreements amount to DKK 1,958,750 concerning Implement Consulting Group Norway AS.

As of 30 June 2018, equipment amounting to DKK 1,958,750 has been pledged.

Implement Consulting Group AB has provided collateral of DKK 2,852,000 regarding a line of credit amounting to an equal amount.

	Group	
	2017/18	2016/17
	DKK	DKK
20 Fee to auditors appointed at the general meeting		
PricewaterhouseCoopers		
Audit fee	590.000	490.000
Tax advisory services	2.714.080	2.325.800
Other services	282.905	693.600
	3.586.985	**3.509.400**

Notes to the Financial Statements

21 Accounting Policies

The Annual Report of Implement Consulting Group P/S for 2017/18 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2017/18 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Implement Consulting Group P/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

21 Accounting Policies (continued)

Business combinations

Acquisitions

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). Cost comprises the fair value of the consideration paid as well as expenses for consultants etc directly related to the acquisition. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straightline basis over its estimated useful life. Any remaining negative differences are recognised as income in the income statement at the date of acquisition.

Amortisation of goodwill is recognised in “Amortisation, depreciation and impairment losses”.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied at the date of acquisition, and comparative figures have not been restated.

Minority interests

Minority interests form part of the Group’s total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

Notes to the Financial Statements

21 Accounting Policies (continued)

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Revenue

Information on geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income Statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk have been made to the purchaser by year end.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Notes to the Financial Statements

21 Accounting Policies (continued)

Other external expenses

Other external expenses comprise expenses related to distribution, premises, sales, marketing and bad debts etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Parent Company is not subject to taxation as it is transparent for tax purposes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at maximum 20 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time

21 Accounting Policies (continued)

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 and fittings, tools and equipment	3-5	years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,500 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item“Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Fixed asset investments, which consist of other investments, deposits and other receivables, are measured at cost.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of shares and deposits.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Current asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Notes to the Financial Statements

21 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated 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 investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Notes to the Financial Statements

21 Accounting Policies (continued)

Cash flows from financing activities

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” and ”Current asset investments”. ”Current asset investments” consist of short-term securities with an insignificant risk of value changes that can readily be turned into cash.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$