Implement Consulting Group P/S

Strandvejen 54, DK-2900 Hellerup

Annual Report for 1 July 2018 - 30 June 2019

CVR No 32 76 77 88

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 3 /10 2019

David Williams
Chairman of the General Meeting

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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 2018 - 30 June 2019.

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 2019 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2018/19.

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, 3 October 2019

Executive Board

Niels Olaf Ahrengot

Board of Directors

Stig Skov Albertsen Chairman	Lars Saur Feldstedt	Bent Kock Nielsen
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 2019 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 2018 - 30 June 2019 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 2018 - 30 June 2019, 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

Independent Auditor's Report

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, 3 October 2019
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: 10th financial year Municipality of reg. office: Gentofte
Board of Directors	Stig Skov Albertsen, Chairman Lars Saur Feldstedt Bent Kock Nielsen 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				
	2018/19	2017/18	2016/17	2015/16	2014/15
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	1.254.787	1.145.718	922.126	754.619	680.600
Operating profit/loss	241.699	217.950	170.082	135.864	112.597
Net financials	3.787	-4.700	3.266	466	2.739
Net profit/loss for the year	236.954	206.130	168.442	131.775	113.640
Balance sheet					
Balance sheet total	869.248	795.826	589.290	472.220	415.409
Equity	577.489	523.325	371.309	285.769	246.974
Cash flows					
Cash flows from:					
- operating activities	265.116	181.703	180.844	166.722	145.466
- investing activities	-9.655	-8.054	-8.871	-21.381	-18.193
- financing activities	-183.008	-54.114	-82.744	-94.642	-91.101
Change in cash and cash equivalents for the year	72.453	119.535	89.229	50.699	36.172
Number of employees	758	688	561	445	402
Ratios					
Gross margin	79.6%	77.7%	77.3%	78.2%	75.8%
Profit margin	19.3%	19.0%	18.4%	18.0%	16.7%
Return on assets	27.8%	27.4%	28.9%	28.8%	27.1%
Solvency ratio	66.4%	65.8%	63.0%	60.5%	59.7%
Return on equity	43.1%	46.1%	51.3%	49.5%	48.0%

For definitions, see under accounting policies.

Management's Review

Implement's sustainability and corporate social responsibility agenda

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. Although many of the projects that we do in commercial terms have a positive impact on global development, including when measured in terms of the current UN Sustainable Development Goals, the company has also had a formal CSR strategy since 2008. The focus of the CSR strategy is to support organisations with projects that would otherwise not be feasible – thereby leveraging our insights and fields of expertise to create an even greater impact on society.

Employees

Implement's most valuable asset is our employees. Therefore, focusing 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. This is in line with our business model that Implement aims to be the best place for the best people and guide our customers with knowledge, support and know-how to create impact.

It is Implement's desire to continuously increase diversity in leadership roles and positions in general, and this goes for gender, age and nationality. In line with our international expansion, we have employed local consultants who we consciously work with to integrate into the overall organisation and culture. Furthermore, we intentionally create multiple non-hierarchical ways of influencing our agendas so that as many voices are heard and as many initiatives are "rolled up" rather than "rolled out" as possible. This is done to create as many informal leadership roles as possible, so that anyone who has "activist" energy to influence the way we work and act feels that they can play a key role, regardless of level, rank, position and title. Also, it is of vital importance and a key part of having an inclusive culture that everyone feels comfortable speaking up. For instance, the theme for the annual University trip was "Lead and be led" to change the traditional understanding of leadership from being a rank/title/level to practicing leadership as an activity. Additionally, as part of an initiative to make internal strategising part of everyone's job, an internal platform has been deployed to share and rate each other's ideas for Implement's strategy going forward.

Based on the satisfactory results with an increase of 10% in revenue and 11% on EBIT, we hope to improve our CSR footprint in the future, staying true to our business model to be the best place for the best people. We do what we can to minimise potential risk for Implement, the environment and our surroundings. Our biggest climate and environmental footprint is due to transport to and from clients.

In 2015, Implement established a Diversity Group with the purpose of increasing diversity at Implement, both by increasing the number of nationalities and by creating higher gender equality. Workshops have been held by the Diversity Group aimed at "hacking gender equality" throughout Implement, and many practices have implemented initiatives to further gender equality on an individual basis. Furthermore, a comprehensive quantitative gender diversity analysis was performed in 2018 to establish a qualified foundation for discussing gender diversity at the board meeting in August 2018. The analysis focused on five key topics: Representation, compensation, advancement, recruitment and retention, and it was based on data from Finance and HR.

Implement employs the best candidates regardless of gender, age and other individual characteristics, and has set targets for the share of female board members. The continual goal is to have more women in senior leadership positions and as positive role models. Today, the board of directors consists of five men and zero women. The ambition is to change this. Implement's intention is that within 2022, we will have at least one woman on the board. This will be done through two new initiatives that Implement will open up for both employee representatives and to have at least one foreign board member. We hope that this will encourage more women to run for election.

Finally, Implement's employee absenteeism is low and its employee churn (13.3% for male consultants and 17.0% for female consultants) is moderately low compared to peers. Actions will be taken in the upcoming financial year to understand the causes of the respective levels of employee churn to identify potential solutions for minimising them. Already in the 2018/2019 financial year, an internal initiative "IM living_" was launched at Implement with the ambition to reduce employee churn by supporting flexible career choices for everyone at Implement.

Environment

Implement continues to explore opportunities to limit the effect of CO2 emitting activities that we as consultants and humans conduct.

In 2019, an internal initiative was launched at Implement called IM sustainable_. The initiative has the purpose of fast-forwarding our journey to becoming a CO2 neutral company and to continuously search for new ways of reducing our current CO2 emissions. This includes an internal assessment of current emissions and a concrete plan for how to eliminate these.

The purpose of IM sustainable_ is also to help other organisations become more sustainable, both by communicating new knowledge and perspectives to the market through external events and also by conducting specific projects with our clients.

Implement continues the IM sustainable_ project and strive to CO2 neutral going forward. Our evaluation is that we already now undoubtedly have helped Implement and our clients to think differently, and in that aspect we have already reduced CO2, water and electricity consumption.

Implement also collaborates with a range of non-governmental and volunteer organisations. Throughout the year, consultants sign up based on individual interest to assist a handful of organisations on specific projects. Rather than giving monetary donations, we offer our human resources in the form of 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 field of social integration, education and development.

Project ideas are received and developed on a decentralised basis by individuals or groups of employees. These individuals receive support and sparring, and projects are then decided on based on expected

impact, Implement's ability to make a difference through our consultants' skills and ultimately, by the involved consultants' devotion to making a difference.
At Implement, we commit ourselves to maintaining a high degree of business ethics in all markets where the company operates as described in our Code of Conduct.

At Implement it is crucial to our image and the way we are perceived by people outside of Implement that we behave in a respectful, ethical and appropriate manner.

We have ethical responsibilities which we must be aware of when we go to work. We are responsible for ensuring and respecting the dignity, integrity, privacy and rights of all individuals, irrespective of where, when and how our paths cross. We are responsible as a company to the community which we are a part of, as an employer to our employees and as a business partner to our customers and suppliers.

To make sure that we all have a clear understanding of the ground rules upon which we do our work, we have made this code of conduct which we call the "IMPLEMENT Way of Life" (the Living Rules). The Living Rules apply to all owners and employees at Implement. It describes the principles for ethical behavior and how we expect our owners and employees to behave – the Implement way.

Our employees do not give or receive payments, gifts or other forms of such from third parties. We try to minimise these risks and improve our social and working conditions as well as our footprint on the environment.

Over the years, Implement has supported a range of different projects aimed at creating a positive societal impact. Amongst others, Implement supported the following projects in the financial year 2018/2019:

Mind Your Own Business (MYOB)

Since 2017, Implement has collaborated with MYOB, which works with boys aged 13-21 from socially disadvantaged neighbourhoods. Implement supports these boys in founding a micro company by delivering team-boosting workshops. The collaboration has recently been further developed to include workshops with the volunteers who work with the micro companies, with a focus on strengthening their facilitation skills and deepening their understanding of group dynamics to further the output of the micro companies. This has been broadened out to target even more volunteers by adding two additional workshops. In addition, Implement was named a strategic partner for MYOB last year. Nine consultants were involved in the project and a total of 22 consulting days were used.

Found Aid (Ventilen)

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

Management's Review

consultants have been involved in the project and a total of 20 consulting days were used.

Joannahuset

Joannahuset will be a physical place where vulnerable children and young adults can receive emergency counselling, shelter and other basic needs like hot food and a bed. Since October 2018, Implement has been assisting Joannahuset with this venture of building the organisation up from scratch in multiple ways. Activities that have been completed include finding data to illustrate how big the problem actually is and the needs of potential users, setting strategic targets and how to reach them, applying change theory and indicators for reaching the short and long-term goals. Furthermore, Implement assisted in the application process for funds by using subject matter expertise and tapping into networks of Implement consultants. Lastly, Implement helped with mapping the user journey and indicating key touchpoints along the way. The project will run into the next financial year as Implement consultants continue to support Joannahuset's growth. Six consultants were involved in the project and a total of 34 consulting days were used.

Danish Social Innovation Club (DANSIC)

Implement consultants have assisted DANSIC, a non-profit student organisation, on two occasions, with the aim of creating awareness about social problems. In the first instance, four experts within the field of social work and the labour market held workshops and assisted students in solving the case of how to better integrate disabled people into the labour market. The co-founder and managing partner of Implement volunteered as a jury member for the case competition and spent a whole day evaluating the performances and ideas to elect the winner. The case company Glad Fonden was inspired by the ideas and has subsequently worked with implementing the winning idea. On the second occasion, three Implement consultants and business analysts held a workshop for DANSIC members in the area of innovation, idea generation and prototyping. The members went on to apply the methods to develop solutions for more sustainable travel. In total for both occasions, eight consultants were involved and a total of 11 consulting days were used.

Financial review

The Consolidated and Parent Company Financial Statements of Implement Consulting Group P/S (hereinafter referred to as Implement) for 2018/2019 have been prepared in accordance with the Danish Financial Statements Act that applies to large enterprises of reporting class C.

Research and development activities

Implement strives to develop and challenge advisory services by investing time and knowledge in employees and sharing know-how internally as well as externally with clients and through published works.

Management's Review

Developments and results

The purpose of Implement is management consulting activities in Europe either met directly or through shareholdings of other companies. The business model is to guide our customers with knowledge, support and know-how to create impact. We try to create an agile environment to create synergies for both our employees and our clients.

Implement is historically a Scandinavian-based consultancy firm that works globally and is present in five countries in Europe with seven offices. The latest office opening was in Aarhus in October 2018.

2018/2019 has been a satisfactory year at Implement, with revenue increasing by 10% from DKK 1,146m to DKK 1,255m. The EBIT margin for the financial year was 19% resulting in an EBIT for the year of DKK 242m, equivalent to an increase in EBIT for the group by 11% compared to 2017/2018. This is an increase of DKK 24m compared to 2017/2018. Hence, the annual profit has also increased from DKK 206m to DKK 237m.

Likewise, Implement's balance sheet presents increases. As of 30 June 2019, the balance sheet shows total assets of DKK 869m – an increase of 9% in comparison with the previous year, mainly due to higher current asset investments. Equity at the end of the year amounted to 72% of total assets. Furthermore, cash flow and cash balance have also reached new heights. Cash flow from operating activities amounted to DKK 265m, an improvement of DKK 83m, and the total cash balance at bank and in hand increased by DKK 2m 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 2018/2019 are not subject to any significant recognition and measurement uncertainties.

Income Statement 1 July - 30 June

	Note	Group 2018/19 DKK	Group 2017/18 DKK	Parent 2018/19 DKK	Parent 2017/18 DKK
Revenue	2	**1.254.786.970**	**1.145.717.504**	**999.816.761**	**949.972.082**
Other external expenses		-255.921.592	-255.706.486	-185.795.259	-224.133.027
Gross profit/loss		**998.865.378**	**890.011.018**	**814.021.502**	**725.839.055**
Staff expenses	3	-738.101.146	-652.807.928	-584.556.285	-516.591.725
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-19.064.881	-19.253.522	-13.953.018	-13.534.388
Profit/loss before financial income and expenses		**241.699.351**	**217.949.568**	**215.512.199**	**195.712.942**
Income from investments in subsidiaries		0	0	17.679.130	15.537.979
Financial income		6.460.644	2.954.633	2.998.240	1.183.977
Financial expenses		-2.673.966	-7.654.953	-1.076.867	-7.320.540
Profit/loss before tax		**245.486.029**	**213.249.248**	**235.112.702**	**205.114.358**
Tax on profit/loss for the year	5	-8.531.891	-7.119.277	0	0
Net profit/loss for the year		**236.954.138**	**206.129.971**	**235.112.702**	**205.114.358**

Balance Sheet 30 June

Assets

	Note	Group		Parent	
		2019	2018	2019	2018
		DKK	DKK	DKK	DKK
Completed development projects		2.116.482	0	2.116.482	0
Goodwill		104.111.982	115.399.259	80.904.455	87.614.816
Intangible assets	6	**106.228.464**	**115.399.259**	**83.020.937**	**87.614.816**
Other fixtures and fittings, tools and equipment		8.997.522	10.274.887	8.211.926	9.164.686
Property, plant and equipment	7	**8.997.522**	**10.274.887**	**8.211.926**	**9.164.686**
Investments in subsidiaries	8	0	0	67.160.508	43.199.354
Other investments	9	5.066.495	5.085.766	0	0
Deposits	9	7.341.436	6.114.429	6.010.020	4.718.894
Fixed asset investments		**12.407.931**	**11.200.195**	**73.170.528**	**47.918.248**
Fixed assets		**127.633.917**	**136.874.341**	**164.403.391**	**144.697.750**
Trade receivables		297.109.921	271.172.090	241.479.558	225.865.526
Receivables from group enterprises		0	0	47.133.909	60.405.196
Other receivables		4.111.361	22.581.659	904.821	2.441.655
Deferred tax asset	14	62.022	293.765	0	0
Prepayments	10	5.793.504	2.819.733	0	1.500.209
Receivables		**307.076.808**	**296.867.247**	**289.518.288**	**290.212.586**
Current asset investments	11	**271.048.165**	**200.546.608**	**271.048.165**	**200.546.608**
Cash at bank and in hand		**163.489.183**	**161.538.147**	**60.917.642**	**81.912.185**
Currents assets		**741.614.156**	**658.952.002**	**621.484.095**	**572.671.379**
Assets		**869.248.073**	**795.826.343**	**785.887.486**	**717.369.129**

Balance Sheet 30 June

Liabilities and equity

	Note	Group 2019	Group 2018	Parent 2019	Parent 2018
		DKK	DKK	DKK	DKK
Share capital		2.242.600	2.191.600	2.242.600	2.191.600
Share premium account		0	115.399.259	0	87.614.816
Reserve for net revaluation under the equity method		0	0	64.128.255	38.832.968
Reserve for development costs		0	0	2.116.482	0
Retained earnings		572.808.611	194.083.860	506.563.874	183.035.335
Proposed dividend for the year		0	210.000.000	0	210.000.000
Equity attributable to shareholders of the Parent Company		**575.051.211**	**521.674.719**	**575.051.211**	**521.674.719**
Minority interests		2.437.341	1.650.066	0	0
Equity	12	**577.488.552**	**523.324.785**	**575.051.211**	**521.674.719**
Other provisions	15	5.661.180	6.861.180	5.661.180	6.861.180
Provisions		**5.661.180**	**6.861.180**	**5.661.180**	**6.861.180**
Other payables		13.295.240	18.621.193	0	0
Long-term debt	16	**13.295.240**	**18.621.193**	**0**	**0**
Prepayments received from customers		24.947.525	22.629.013	23.070.374	22.038.697
Trade payables		20.476.543	21.806.579	15.788.369	17.804.700
Payables to group enterprises		0	0	2.409.286	4.716.988
Corporation tax		16.956.455	5.997.265	0	0
Other payables	16	210.422.578	196.586.328	163.907.066	144.272.845
Short-term debt		**272.803.101**	**247.019.185**	**205.175.095**	**188.833.230**
Debt		**286.098.341**	**265.640.378**	**205.175.095**	**188.833.230**
Liabilities and equity		**869.248.073**	**795.826.343**	**785.887.486**	**717.369.129**

Balance Sheet 30 June

Liabilities and equity

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Statement of Changes in Equity

Group

	Share capital	Share premium account	Reserve for net revalua-tion under the equity method	Reserve for development costs	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 July	2.191.600	115.399.259	0	0	194.083.860	210.000.000	521.674.719	1.650.066	523.324.785
Cash capital increase	51.000	20.596.633	0	0	0	0	20.647.633	0	20.647.633
Ordinary dividend paid	0	0	0	0	0	-210.000.000	-210.000.000	-1.272.000	-211.272.000
Ordinary dividend on treasury shares	0	0	0	0	3.707.422	0	3.707.422	0	3.707.422
Revaluation for the year	0	0	0	0	0	0	0	217.839	217.839
Other equity movements	0	0	0	0	3.908.735	0	3.908.735	0	3.908.735
Net profit/loss for the year	0	0	0	0	235.112.702	0	235.112.702	1.841.436	236.954.138
Transfer from share premium account	0	-135.995.892	0	0	135.995.892	0	0	0	0
Equity at 30 June	**2.242.600**	**0**	**0**	**0**	**572.808.611**	**0**	**575.051.211**	**2.437.341**	**577.488.552**

Statement of Changes in Equity

Parent

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 July	2.191.600	87.614.816	38.832.968	0	183.035.335	210.000.000	521.674.719	0	521.674.719
Cash capital increase	51.000	20.596.633	0	0	0	0	20.647.633	0	20.647.633
Ordinary dividend paid	0	0	0	0	0	-210.000.000	-210.000.000	0	-210.000.000
Other equity movements	0	0	7.616.157	0	0	0	7.616.157	0	7.616.157
Development costs for the year	0	0	0	2.116.482	0	0	2.116.482	0	2.116.482
Net profit/loss for the year	0	0	17.679.130	0	215.317.090	0	232.996.220	0	232.996.220
Transfer from share premium account	0	-108.211.449	0	0	108.211.449	0	0	0	0
Equity at 30 June	**2.242.600**	**0**	**64.128.255**	**2.116.482**	**506.563.874**	**0**	**575.051.211**	**0**	**575.051.211**

Cash Flow Statement 1 July - 30 June

	Note	Group 2018/19 DKK	Group 2017/18 DKK
Net profit/loss for the year		236.954.138	206.129.971
Adjustments	17	23.810.094	31.319.445
Change in working capital	18	-2.093.680	-45.040.670
Cash flows from operating activities before financial income and expenses		**258.670.552**	**192.408.746**
Financial income		6.460.644	2.954.633
Financial expenses		-2.673.966	-7.654.954
Cash flows from ordinary activities		**262.457.230**	**187.708.425**
Corporation tax paid		2.659.041	-6.005.567
Cash flows from operating activities		**265.116.271**	**181.702.858**
Purchase of intangible assets		-4.768.877	-2.310.216
Purchase of property, plant and equipment		-3.678.855	-4.979.376
Fixed asset investments made etc		-1.207.736	-764.563
Cash flows from investing activities		**-9.655.468**	**-8.054.155**
Minority interests		-1.272.000	-1.245.645
Net purchase of treasury shares		0	-10.216.765
Net sale of treasury shares		3.908.735	0
Cash capital increase		20.647.633	130.348.528
Dividend paid		-206.292.578	-173.000.000
Cash flows from financing activities		**-183.008.210**	**-54.113.882**
Change in cash and cash equivalents		**72.452.593**	**119.534.821**
Cash and cash equivalents at 1 July		362.084.755	243.059.562
Exchange adjustment of current asset investments		0	-509.628
Cash and cash equivalents at 30 June		**434.537.348**	**362.084.755**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		163.489.183	161.538.147
Current asset investments		271.048.165	200.546.608
Cash and cash equivalents at 30 June		**434.537.348**	**362.084.755**

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	
	2018/19	2017/18
	DKK	DKK
Geographical segments		
Denmark	867.102.046	832.247.048
Other Scandinavia	223.637.568	169.270.513
Other	164.047.356	144.199.943
	1.254.786.970	**1.145.717.504**

3 Staff expenses

	Group		Parent	
	2018/19	2017/18	2018/19	2017/18
	DKK	DKK	DKK	DKK
Wages and salaries	708.950.697	625.669.773	579.639.755	512.387.378
Pensions	7.882.009	6.875.943	1.323.732	1.345.967
Other social security expenses	21.268.440	20.262.212	3.592.798	2.858.380
	738.101.146	**652.807.928**	**584.556.285**	**516.591.725**
Average number of employees	**758**	**688**	**598**	**537**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Notes to the Financial Statements

	Group		Parent	
	2018/19	2017/18	2018/19	2017/18
	DKK	DKK	DKK	DKK

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

	Group 2018/19 DKK	Group 2017/18 DKK	Parent 2018/19 DKK	Parent 2017/18 DKK
Amortisation of intangible assets	14.108.957	13.970.355	9.532.041	9.060.786
Depreciation of property, plant and equipment	4.955.924	5.283.167	4.420.977	4.473.602
	19.064.881	**19.253.522**	**13.953.018**	**13.534.388**

5 Tax on profit/loss for the year

	Group 2018/19 DKK	Group 2017/18 DKK	Parent 2018/19 DKK	Parent 2017/18 DKK
Current tax for the year	8.300.148	6.340.608	0	0
Deferred tax for the year	231.743	778.669	0	0
	8.531.891	**7.119.277**	**0**	**0**

Notes to the Financial Statements

6 Intangible assets

Group

	Completed development projects	Goodwill
	DKK	DKK
Cost at 1 July	0	203.253.944
Additions for the year	2.227.876	2.541.000
Cost at 30 June	2.227.876	205.794.944
Impairment losses and amortisation at 1 July	0	87.854.685
Amortisation for the year	111.394	13.997.563
Reversal of amortisation of disposals to previous years	0	-169.286
Impairment losses and amortisation at 30 June	111.394	101.682.962
Carrying amount at 30 June	**2.116.482**	**104.111.982**
Amortised over	10 years	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 has not identified any indications of impairment.

Notes to the Financial Statements

6 Intangible assets (continued)

Parent

	Completed development projects	Goodwill
	DKK	DKK
Cost at 1 July	0	160.107.858
Additions for the year	2.227.876	2.541.000
Cost at 30 June	2.227.876	162.648.858
Impairment losses and amortisation at 1 July	0	72.493.042
Amortisation for the year	111.394	9.420.647
Reversal of amortisation of disposals to previous years	0	-169.286
Impairment losses and amortisation at 30 June	111.394	81.744.403
Carrying amount at 30 June	**2.116.482**	**80.904.455**
Amortised over		10-20 years

Refer to group note on page 21 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	26.660.063
Exchange adjustment	-1.901
Additions for the year	3.678.855
Cost at 30 June	30.337.017
Impairment losses and depreciation at 1 July	16.385.176
Exchange adjustment	-1.605
Depreciation for the year	4.955.924
Impairment losses and depreciation at 30 June	21.339.495
Carrying amount at 30 June	**8.997.522**
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	23.216.707
Additions for the year	3.468.217
Cost at 30 June	26.684.924
Impairment losses and depreciation at 1 July	14.052.021
Depreciation for the year	4.420.977
Impairment losses and depreciation at 30 June	18.472.998
Carrying amount at 30 June	**8.211.926**
Depreciated over	3-5 years

Notes to the Financial Statements

8 Investments in subsidiaries

	Parent 2019	Parent 2018
	DKK	DKK
Cost at 1 July	4.366.385	3.666.385
Additions for the year	0	700.000
Disposals for the year	-357.396	0
Cost at 30 June	4.008.989	4.366.385
Value adjustments at 1 July	38.832.969	33.511.755
Net profit/loss for the year	17.679.130	15.537.979
Movements on treasury shares	7.617.157	-10.216.765
Reversals for the year of revaluations in previous years	-977.737	0
Value adjustments at 30 June	63.151.519	38.832.969
Carrying amount at 30 June	**67.160.508**	**43.199.354**

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%
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	5.085.766	6.114.429	4.718.894
Additions for the year	13.041.974	1.227.007	1.291.126
Disposals for the year	-13.061.245	0	0
Cost at 30 June	5.066.495	7.341.436	6.010.020
Carrying amount at 30 June	**5.066.495**	**7.341.436**	**6.010.020**

10 Prepayments

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

	Group		Parent	
	2019	2018	2019	2018
	DKK	DKK	DKK	DKK
11 Current asset investments				
Bonds	271.048.165	200.546.608	271.048.165	200.546.608
	271.048.165	**200.546.608**	**271.048.165**	**200.546.608**

Notes to the Financial Statements

12 Equity

The share capital consists of 2,242,600 shares of a nominal value of DKK 1. No shares carry any special rights.

As of 30 June 2019, Implement Datterholding A/S holds 33,334 treasury shares. The total payment for the shares amounted to tDKK 9,779, which has been transferred from retained earnings under equity. In total, the Group companies hold treasury shares correspondong to 1.5% of total equity. During the year, the Group companies acquired 273,786 shares and sold 283,454 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:

	2018/19	2017/18	2016/17	2015/16	2014/15
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 July	2.191.600	1.806.965	1.612.965	1.531.500	1.531.500
Capital increase	51.000	384.635	194.000	81.465	0
Capital decrease	0	0	0	0	0
Share capital at 30 June	**2.242.600**	**2.191.600**	**1.806.965**	**1.612.965**	**1.531.500**

Notes to the Financial Statements

	Group		Parent	
	2018/19	2017/18	2018/19	2017/18
	DKK	DKK	DKK	DKK

13 Distribution of profit

	Group 2018/19 DKK	Group 2017/18 DKK	Parent 2018/19 DKK	Parent 2017/18 DKK
Proposed dividend for the year	0	210.000.000	0	210.000.000
Reserve for net revaluation under the equity method	0	0	17.679.130	15.537.978
Other statutory reserves	0	0	2.116.482	0
Minority interests' share of net profit/loss of subsidiaries	1.841.436	1.015.613	0	0
Retained earnings	235.112.702	-4.885.642	215.317.090	-20.423.620
	236.954.138	**206.129.971**	**235.112.702**	**205.114.358**

14 Deferred tax asset

	Group 2018/19 DKK	Group 2017/18 DKK	Parent 2018/19 DKK	Parent 2017/18 DKK
Deferred tax asset at 1 July	293.765	1.073.391	0	0
Amounts recognised in the income statement for the year	-231.743	-779.626	0	0
Deferred tax asset at 30 June	**62.022**	**293.765**	**0**	**0**

Deferred tax asset for the group amounts to DKK 62,022 at 30 June 2019. The deferred tax asset is related to tax losses carried forward in subsidiaries. Management expects to utilize the asset within a short period.

15 Other provisions

	Group 2018/19 DKK	Group 2017/18 DKK	Parent 2018/19 DKK	Parent 2017/18 DKK
Other provisions	5.661.180	6.861.180	5.661.180	6.861.180
	5.661.180	**6.861.180**	**5.661.180**	**6.861.180**

Other provisions mainly consist of estimated costs for reestablishing leasehold premises.

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	
	2019	2018	2019	2018
	DKK	DKK	DKK	DKK
Other payables				
Between 1 and 5 years	13.295.240	18.621.193	0	0
Long-term part	13.295.240	18.621.193	0	0
Within 1 year	4.597.923	16.192.954	0	0
Other short-term payables	205.824.642	180.393.377	163.907.061	144.272.844
Short-term part	210.422.565	196.586.331	163.907.061	144.272.844
	223.717.805	**215.207.524**	**163.907.061**	**144.272.844**

	Group	
	2018/19	2017/18
	DKK	DKK

17 Cash flow statement - adjustments

Financial income	-6.460.644	-2.954.633
Financial expenses	2.673.966	7.654.953
Depreciation, amortisation and impairment losses, including losses and gains on sales	19.064.881	19.499.848
Tax on profit/loss for the year	8.531.891	7.119.277
	23.810.094	**31.319.445**

18 Cash flow statement - change in working capital

Change in receivables	-10.209.561	-89.165.366
Change in other provisions	-1.200.000	2.061.180
Change in trade payables, etc	9.315.881	42.063.516
	-2.093.680	**-45.040.670**

Notes to the Financial Statements

19 Contingent assets, liabilities and other financial obligations

	Group		Parent	
	2019	2018	2019	2018
	DKK	DKK	DKK	DKK
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	24.876.519	14.655.025	14.591.379	9.790.499
Between 1 and 5 years	34.133.468	26.967.996	14.584.030	18.079.389
After 5 years	325.410	0	0	0
	59.335.397	**41.623.021**	**29.175.409**	**27.869.888**

Other contingent liabilities

As of 30 June 2019, DNB has registered title in bank deposits amounting to DKK 230,970

As of 30 June 2019, DNB has registered title in factoring agreements amount to DKK 1,924,750 concerning Implement Consulting Group Norway AS.

As of 30 June 2019, equipment amounting to DKK 1,924,750 has been pledged.

Implement Consulting Group AB has provided collateral of DKK 3,009,125 regarding a line of credit amounting to an equal amount.

Implement Consulting Group AG has provided a guarantee of DKK 578,000 to BVK Personalversorge des Kt Zürich

20 Fee to auditors appointed at the general meeting

	Group	
	2018/19	2017/18
	DKK	DKK
PricewaterhouseCoopers		
Audit fee	595.000	590.000
Other assurance engagements	37.000	0
Tax advisory services	3.181.400	2.714.080
Other services	653.771	282.905
	4.467.171	**3.586.985**

Notes to the Financial Statements

21 Accounting Policies

The Annual Report of Implement Consulting Group P/S for 2018/19 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 2018/19 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.

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”.

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.

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.

Notes to the Financial Statements

21 Accounting Policies (continued)

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.

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.

Other external expenses

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

Notes to the Financial Statements

21 Accounting Policies (continued)

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

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.

Development projects are measured at cost less accumulated amortisation. Development projects are amortised on a straight-line basis over their useful lives, which is assessed at maximum 10 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

Notes to the Financial Statements

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 13,800 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

21 Accounting Policies (continued)

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	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$