

A.T. Kearney P/S

Sankt Annæ Plads 13
1250 København K
Denmark

CVR no. 37 81 13 19

Annual report 2016

The annual report was presented and approved at
the Company's annual general meeting on

15 June 2017

A handwritten signature in blue ink, appearing to be 'L. Røst', written over a horizontal line.

chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of A.T. Kearney P/S for the financial year 1 January – 31 December 2016.

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

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

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

We recommend that the annual report be approved at the annual general meeting.

Copenhagen 15 June 2017

Executive Board:

Lars Røst

Board of Directors:

Lars Eismark
Chairman

Luca Rossi

James Frederick Dyll



Independent auditor's report

To the shareholders of A.T. Kearney P/S

Opinion

We have audited the financial statements of A.T. Kearney P/S for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibility for the financial statements

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

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



Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings,



Independent auditor's report

including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 15 June 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Klaus Rytz
State Authorised
Public Accountant

A.T. Kearney P/S
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Management's review

Company details

A.T. Kearney P/S
Sankt Annæ Plads 13
1250 København K
Denmark

Telephone: 33 69 30 00
Website: www.atkearney.dk

CVR no.: 37 81 13 19
Established: 15 June 2016
Registered office: Copenhagen
Financial year: 1 January – 31 December

Board of Directors

Lars Eismark, Chairman
Luca Rossi
James Frederick Dyall

Executive Board

Lars Røst

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Annual general meeting

The annual general meeting will be held on 15 June 2017 at the Company's address.

Management's review

Operating review

Principal activities

The Company's activities comprise providing consulting services within strategic management consulting.

The Company is a part of the A.T. Kearney Group.

Effective from 1 January 2016, A.T. KEARNEY DENMARK A/S contributed its activity and active business within consulting services and strategic consulting to the newly established subsidiary, A.T. Kearney P/S.

Events after the balance sheet date

No events have occurred after the balance sheet date that may affect the assessment of the Company's financial position at 31 December 2016 and the results for the year.

Significant estimates and judgements

Note 8 to the financial statements includes a description of significant estimates and judgements made at 31 December 2016.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2016
Gross profit		<u>38,554</u>
Staff costs	2	-31,663
Depreciation, amortisation and impairment losses		<u>-537</u>
Loss before financial income and expenses		6,354
Financial income	3	302
Financial expenses		<u>-264</u>
Profit for the year		<u><u>6,392</u></u>
Proposed distribution of profit		
Retained earnings		<u>6,392</u>
		<u><u>6,392</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016
ASSETS		
Fixed assets		
Property, plant and equipment		
Fixtures and fittings, tools and equipment		1,840
Leasehold improvements		124
		<u>1,964</u>
Investments		
Deposits		875
		<u>875</u>
Total fixed assets		<u>2,839</u>
Current assets		
Receivables		
Trade receivables		22,093
Receivables from group entities		40,170
Work in progress	4	128
Other receivables		489
Prepayments		1,028
		<u>63,908</u>
Cash at bank and in hand		<u>1,790</u>
Total current assets		<u>65,698</u>
TOTAL ASSETS		<u><u>68,537</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016
EQUITY AND LIABILITIES		
Equity		
Share capital		500
Retained earnings		<u>7,892</u>
Total equity		<u>8,392</u>
Provisions		
		<u>8,749</u>
Liabilities other than provisions		
Current liabilities other than provisions		
Prepayments received from customers	4	273
Trade payables		534
Payables to group entities		39,402
Other payables	5	<u>11,187</u>
		<u>51,396</u>
Total liabilities other than provisions		<u>51,396</u>
TOTAL EQUITY AND LIABILITIES		<u>68,537</u>
Contractual obligations, contingencies, etc.	6	
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Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2016	500	1,500	0	2,000
Transfer to retained earnings	0	-1,500	1,500	0
Transferred over the distribution of loss	0	0	6,392	6,392
Equity at 31 December 2016	<u>500</u>	<u>0</u>	<u>7,892</u>	<u>8,392</u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of A.T. Kearney P/S for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C.

Income statement

Revenue

Revenue comprises fee income from consultancy services, which is recognised in accordance with the percentage of completion method less other external costs comprising costs related to sales, promotion, administration, premises, operating leases, etc.

Other income

Other income relates to rechargeable administrative services and costs other than consultancy services to other A.T. Kearney companies and gain on sale of assets.

Other external costs

Other external costs comprise costs of consultants from other A.T. Kearney companies, marketing expenses, insurance costs, rent, proposal costs, administrative costs, other external costs and loss on sale of assets.

Staff costs

Staff costs comprise wages, salaries, bonuses, remuneration, pensions and other staff costs related to the Company's employees, including the members of the Executive Board.

Financial income and expenses

Financial income and expenses comprise interest income and expense, and transactions denominated in foreign currencies.

Balance sheet

Property, plant and equipment

Leasehold improvements and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows.

Fixtures and fittings, tools and equipment	2-8 years
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Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Leasehold improvements 5 years

Depreciation is recognised in the income statement under depreciation, amortisation and impairment losses.

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Impairment of fixed assets

The residual value of plant and equipment is reassessed on an ongoing basis. Any adjustments to residual values are made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

Deposits

Deposits relate to the Company's leases and are measured at the lower of cost or recoverable amount.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses to net realisable value based on a specific assessment.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the contract work.

Individual contract work in progress is recognised in the balance sheet under receivables or payables depending on the net amount of the selling price less progress billings and prepayments as contract work in progress and prepayments received from customers, respectively.

Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Provisions

Provisions include provisions for leasehold re-establishment and provisions for incentive programmes. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at best estimate.

Intercompany balances

Receivables from group entities comprise intercompany receivables from other companies within the A.T. Kearney Group as well as the Company's cash and cash equivalents, which are included in the A.T. Kearney Group's cash pool scheme.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or expenses.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income and expenses.

2 Staff costs

DKK'000	2016
Wages and salaries	28,441
Pensions	1,976
Other social security costs	140
Other staff costs	1,106
	<u>31,663</u>

Average number of full-time employees	<u>22</u>
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3 Financial income

Financial income from group entities	<u>78</u>
	<u>78</u>

4 Contract work in progress

Contract work in progress	15,268
Work in progress, payments received on account	<u>-15,413</u>
	<u>-145</u>

Recognized in the balance sheet as follows:

Contract work in progress recognized in assets	128
Prepayments received recognized in debt	<u>-273</u>
	<u>-145</u>

Financial statements 1 January – 31 December

Notes

5 Other payables

DKK'000	2016
Social charges, VAT, etc.	5,035
Employee payables	5,878
Other payables	274
	<u>11,187</u>

6 Contractual obligations, contingencies, etc.

The Company's rent liabilities and residual lease payments on leased office equipment which fall due within five years amount to DKK 1,438 thousand, of which DKK 1,305 thousand falls due within one year.

7 Related party disclosures

A.T. Kearney P/S' related parties comprise the following:

Ownership

The Company is included in the consolidated financial statements of the ultimate parent company, A.T. Kearney Holdings Limited, UK. The consolidated financial statements of the ultimate parent company can be obtained through Companies House, UK.

8 Significant management estimates and judgements

In preparing the financial statements, Management has made a number of estimates and judgements when determining the carrying amount of certain assets and liabilities. The most significant management estimates and judgements relate to:

- Estimation of provision for incentive programme, which includes estimation of the USD/DKK exchange rate and future performance.
- Determination of the stage of completion of projects in progress is based on Management's estimates and judgements of residual costs.

Management makes its estimates based on experience and other assumptions which are considered relevant at the balance sheet date. The actual results may deviate from these estimates over time, and the deviations may be significant.