

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

Company reg. no. 37 81 13 19

**Annual report**

**1 January - 31 December 2019**

The annual report was submitted and approved by the general meeting on the 11 September 2020.



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Godfred Severin Berntsen  
Chairman of the meeting

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Notes:

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

## **Management's report**

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Today, the management has presented the annual report of A.T. Kearney P/S for the financial year 1 January - 31 December 2019.

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

I consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 1 January – 31 December 2019.

I am of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Copenhagen, 11 September 2020

**Managing Director**



Lars Krohn Røst

## **Independent auditor's report**

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### **To the shareholder 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 2019, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

#### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

## **Independent auditor's report**

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As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

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

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

## **Independent auditor's report**

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In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 11 September 2020

### **Grant Thornton**

State Authorised Public Accountants  
Company reg. no. 34 20 99 36



**Michael Beuchert**

State Authorised Public Accountant  
mne32794

## Company information

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### **The company**

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

Company reg. no. 37 81 13 19  
Established: 15 June 2016  
Domicile: Copenhagen  
Financial year: 1 January 2019 - 31 December 2019

### **Board of directors**

Gotfred Severin Berntsen, Chairman  
James Frederick Dyll  
Geir Olsen

### **Managing Director**

Lars Krohn Røst

### **Auditors**

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

### **Parent company**

A.T. Kearney Denmark A/S

## Financial highlights

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DKK in thousands.	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Income statement:</b>				
Gross profit	50.132	31.361	41.724	38.554
Profit from ordinary operating activities	3.255	-4.702	3.020	6.354
Net financials	-724	655	40	38
Net profit or loss for the year	2.531	-4.047	3.060	6.392
<b>Statement of financial position:</b>				
Balance sheet total	124.850	97.199	91.074	68.537
Investments in property, plant and equip-ment	128	81	204	0
Equity	4.531	9.520	11.452	8.392
<b>Employees:</b>				
Average number of full-time employees	29	24	22	22
<b>Key figures in %:</b>				
Solvency ratio	3,6	9,8	12,6	12,2
Return on equity	36,0	-38,6	30,8	152,3

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

**Solvency ratio**  $\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$

**Return on equity**  $\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$



## **Management commentary**

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### **The principal activities of the company**

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

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

### **Development in activities and financial matters**

The gross profit for the year totals DKK 49.871 t.kr against DKK 31.108 t.kr last year. Income or loss from ordinary activities after tax totals DKK 2.531 t.kr against DKK -4.047 t.kr last year. Management considers the net profit for the year as expected.

### **Special risks**

#### *Operating risks*

The company is, like most companies, exposed to a sudden downturn in the market. We believe the risk to be manageable.

### **Environmental issues**

The working environment is assessed as satisfactory. Absence due to illness was insignificant. The activities of the company do not pollute the environment. The company is an integrated part of the A.T. Kearney corporation which is carbon neutral.

### **Know how resources**

Our employees contribute to the financial success of our global network through their teamwork and collaboration to serve our clients worldwide. The rich, diverse backgrounds of our consultants have a direct impact on what our teams accomplish every day - a dynamic that has defined our culture for more than 90 years. Training is a crucial component of the continued development of our employees and their career advancement. All employees will attend training programs where they learn essential concepts and methodologies that are crucial to management consulting.

### **Expected developments**

It is expected that the Company will realise positive results for the financial year 2020.

### **Events occurring after the end of the financial year**

In view of the considerable uncertainty created by COVID-19 and the uncertainty of the duration of the situation, it is at the moment not possible to make a reasonable assessment of the financial consequences of COVID-19. On the same basis, it is not possible to express a sufficiently reliable expectation of revenue and pre-tax net profit or loss.

However, the enterprise's current and planned activities do not give rise to particular financial risks, and the company's cash resources are assessed to be adequately hedged.

## Accounting policies

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

The annual report is presented in DKK.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements for A.T. Kearney A/S.

### Income statement

#### Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in the revenue.

#### Revenue from the sale of services

Income from the sale of services, which comprise consultancy services, is recognised as the control over the individual identifiable performance obligation is transferred to the customer. Sale of consultancy services typically comprise one performance obligation, which is recognised in revenue over the period in which the services are provided.

#### 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 and other external costs.

#### Staff costs

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

#### Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

#### Other operating income and costs

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.

## Accounting policies

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### Financial income and expenses

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

### Tax on net profit or loss for the year

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

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

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

### Other fixtures and fittings, tools and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

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

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

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

The cost of a total asset is divided into separate components. These components are depreciated separately when the useful lives of each individual components differ.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Leasehold improvements	5 years
Other fixtures and fittings, tools and equipment	2-8 years

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

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

## Accounting policies

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### Leases

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

### Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible assets as well as equity investments in subsidiaries and associates are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation, respectively.

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

### Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

### Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

### 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

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

### Prepayments and accrued income

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

### Cash on hand

Cash on hand comprise cash at bank and on hand.

## **Accounting policies**

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### **Equity**

#### **Dividend**

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

## Income statement 1 January - 31 December

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DKK thousand.

<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Gross profit</b>	<b>50.132</b>	<b>31.361</b>
1 Staff costs	-45.968	-35.289
Depreciation and impairment of property, land, and equipment	-648	-520
Other operating costs	-261	-254
<b>Operating profit</b>	<b>3.255</b>	<b>-4.702</b>
Other financial income	518	810
2 Other financial costs	-1.242	-155
<b>Pre-tax net profit or loss</b>	<b>2.531</b>	<b>-4.047</b>
Tax on ordinary results	0	0
<b>3 Net profit or loss for the year</b>	<b>2.531</b>	<b>-4.047</b>

## Statement of financial position at 31 December

DKK thousand.

<b>Assets</b>		
<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Non-current assets</b>		
4 Other fixtures and fittings, tools and equipment	633	1.162
Total property, plant, and equipment	633	1.162
5 Deposits	875	1.536
Total investments	875	1.536
<b>Total non-current assets</b>	<b>1.508</b>	<b>2.698</b>
<b>Current assets</b>		
Trade receivables	36.277	21.040
6 Contract work in progress	16.893	34.672
Receivables from associates	68.023	38.423
Other receivables	0	131
7 Prepayments and accrued income	1.923	80
Total receivables	123.116	94.346
Cash on hand and demand deposits	226	155
<b>Total current assets</b>	<b>123.342</b>	<b>94.501</b>
<b>Total assets</b>	<b>124.850</b>	<b>97.199</b>

## Statement of financial position at 31 December

DKK thousand.

<b>Equity and liabilities</b>		<u>2019</u>	<u>2018</u>
<u>Note</u>			
<b>Equity</b>			
Contributed capital		500	500
Retained earnings		1.500	9.020
Proposed dividend for the financial year		2.531	0
<b>Total equity</b>		<u><b>4.531</b></u>	<u><b>9.520</b></u>
<b>Provisions</b>			
8 Provisions for pensions and similar obligations		682	659
<b>Total provisions</b>		<u><b>682</b></u>	<u><b>659</b></u>
<b>Liabilities other than provisions</b>			
6 Prepayments received from customers concerning work in progress for the account of others		3.637	2.234
Trade payables		677	1.282
Payables to associates		86.627	61.695
Other payables		28.696	21.809
Total short term liabilities other than provisions		<u>119.637</u>	<u>87.020</u>
<b>Total liabilities other than provisions</b>		<u><b>119.637</b></u>	<u><b>87.020</b></u>
<b>Total equity and liabilities</b>		<u><b>124.850</b></u>	<u><b>97.199</b></u>
<b>9 Contingencies</b>			
<b>10 Related parties</b>			



**Statement of changes in equity**

DKK thousand.

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Proposed dividend for the financial year</b>	<b>Total</b>
Equity 1 January 2019	500	9.020	0	9.520
Profit or loss for the year brought forward	0	0	2.531	2.531
Extraordinary dividend adopted during the financial year	0	-7.520	0	-7.520
	<b>500</b>	<b>1.500</b>	<b>2.531</b>	<b>4.531</b>

## Notes

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DKK thousand.

	<u>2019</u>	<u>2018</u>
<b>1. Staff costs</b>		
Salaries and wages	42.901	31.838
Pension costs	2.636	2.210
Other costs for social security	431	490
Other staff costs	<u>0</u>	<u>751</u>
	<b><u>45.968</u></b>	<b><u>35.289</u></b>
Average number of employees	<u>29</u>	<u>24</u>
<p>In the financial year, the Management Board consists of only one member, therefore information about the Management's remuneration is discharged pursuant to section 98b of the Danish Financial Statements Act. No remuneration has been paid to the Board during the financial year.</p>		
<b>2. Other financial costs</b>		
Financial costs, group enterprises	115	0
Other financial costs	<u>1.127</u>	<u>155</u>
	<b><u>1.242</u></b>	<b><u>155</u></b>
<b>3. Proposed appropriation of net profit</b>		
Dividend for the financial year	2.531	0
Allocated from retained earnings	<u>0</u>	<u>-4.047</u>
<b>Total allocations and transfers</b>	<b><u>2.531</u></b>	<b><u>-4.047</u></b>

## Notes

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DKK thousand.

### 4. Other fixtures and fittings, tools and equipment

Cost 1 January 2019	3.403	4.196
Additions during the year	128	81
Disposals during the year	0	-874
<b>Cost 31 December 2019</b>	<b>3.531</b>	<b>3.403</b>
Amortisation and writedown 1 January 2019	-2.241	-2.612
Depreciation for the year	-657	-457
Depreciation, amortisation and writedown for the year, assets disposed of	0	828
<b>Amortisation and writedown 31 December 2019</b>	<b>-2.898</b>	<b>-2.241</b>
<b>Carrying amount, 31 December 2019</b>	<b>633</b>	<b>1.162</b>

### 5. Deposits

Cost 1 January 2019	1.536	1.536
Disposals during the year	-661	0
<b>Cost 31 December 2019</b>	<b>875</b>	<b>1.536</b>
<b>Carrying amount, 31 December 2019</b>	<b>875</b>	<b>1.536</b>

### 6. Contract work in progress

Sales value of the production of the period	53.139	140.357
Payments on account received	-39.883	-107.919
<b>Contract work in progress, net</b>	<b>13.256</b>	<b>32.438</b>
The following is recognised:		
Work in progress for the account of others (Current assets)	16.893	34.672
Work in progress for the account of others (Prepayments received)	-3.637	-2.234
	<b>13.256</b>	<b>32.438</b>

### 7. Prepayments and accrued income

Other prepayments	1.923	80
	<b>1.923</b>	<b>80</b>

## Notes

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DKK thousand.

	<u>31/12 2019</u>	<u>31/12 2018</u>
<b>8. Provisions for pensions and similar obligations</b>		
Provisions for pension obligations and similar obligations	<u>682</u>	<u>659</u>
	<u><b>682</b></u>	<u><b>659</b></u>

## 9. Contingencies

	DKK in thousands
Lease liabilities	<u>1.482</u>
<b>Total contingent liabilities</b>	<u><b>1.482</b></u>

The lease liabilities falls due within a year

## Notes

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DKK thousand.

### 10. Related parties

#### Controlling interest

A.T. Kearney Denmark A/S

Majority shareholder

#### Transactions

The company has the following related party transactions:

	<u>2019</u>
Sale of services to related parties	47.066.258
Purchase of services from related parties	38.962.473

#### Consolidated financial statements

The Company is included in the consolidated financial statements of A.T. Kearney Holdings Limited. The financial statement for the consolidated can be obtained by contacting the company.