

# A.T. KEARNEY DENMARK A/S


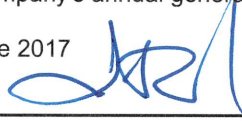
Sankt Annæ Plads 13  
1250 København K  
Denmark

CVR no. 65 26 23 12

## Annual report 2016

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

15 June 2017



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 DENMARK A/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:

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Lars Røst

Board of Directors:

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Lars Eismark  
Chairman

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Luca Rossi

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James Frederick Dyall



## **Independent auditor's report**

### **To the shareholders of A.T. KEARNEY DENMARK A/S**

#### **Opinion**

We have audited the financial statements of A.T. KEARNEY DENMARK A/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 DENMARK A/S**  
Annual report 2016  
CVR no. 65 26 23 12

## **Management's review**

### **Company details**

A.T. KEARNEY DENMARK A/S  
Sankt Annæ Plads 13  
1250 København K  
Denmark

Telephone: 33 69 30 00  
Website: [www.atkearney.dk](http://www.atkearney.dk)

CVR no.: 65 26 23 12  
Established: 30 March 1963  
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 main activity of A.T. KEARNEY DENMARK A/S is to hold shares in the subsidiary, A.T. Kearney P/S.

#### Development in activities and financial position

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 4 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	2015
<b>Gross profit</b>		-26	46,961
Staff costs	2	0	-43,549
Depreciation, amortisation and impairment		0	-503
<b>Profit/loss before financial income and expenses</b>		-26	2,909
Financial income		0	59
Financial expenses		0	-39
<b>Profit/loss before tax</b>		-26	2,929
Tax on profit/ loss for the year		-204	0
<b>Profit/loss for the year</b>		-230	2,929

### Proposed profit appropriation/distribution of loss

Retained earnings		-230	2,929
		-230	2,929

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2016	2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>			
Fixtures and fittings, tools and equipment		0	1,905
Leasehold improvements		0	336
		0	2,241
<b>Investments</b>			
Equity investments in group entities		1,700	0
Deposits		0	878
		1,700	878
<b>Total fixed assets</b>		1,700	3,119
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		0	15,164
Receivables from group entities		38,758	56,341
Construction contracts		0	6,916
Other receivables		0	1,486
Deferred tax asset		1,000	1,000
Prepayments		0	703
		39,758	81,610
<b>Cash at bank and in hand</b>		316	499
<b>Total current assets</b>		40,074	82,109
<b>TOTAL ASSETS</b>		41,774	85,228

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		1,600	1,600
Retained earnings		39,946	40,176
<b>Total equity</b>		<b>41,546</b>	<b>41,776</b>
<b>Provisions</b>			
Provisions for leasehold re-establishment		0	505
<b>Total provisions</b>		<b>0</b>	<b>505</b>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		0	971
Payables to group entities		0	4,409
Other payables		228	37,567
		228	42,947
<b>Total liabilities other than provisions</b>		<b>228</b>	<b>42,947</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,774</b>	<b>85,228</b>
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## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
<b>Equity at 1 January 2016</b>	1,600	40,176	41,776
Transferred over the distribution of loss	<u>0</u>	<u>-230</u>	<u>-230</u>
<b>Equity at 31 December 2016</b>	<u>1,600</u>	<u>39,946</u>	<u>41,546</u>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of A.T. KEARNEY DENMARK A/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.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

### Income statement

#### Gross profit

In accordance with section 32 of the Danish Financial Statements Act, the Company has omitted to disclose revenue, other operating income and other external costs.

#### Revenue

Revenue comprises fee income from consultancy services, which is recognized 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.

#### External costs

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



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Financial income and expenses

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

##### Tax on profit for the year

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit for the year is recognised in the income statement.

### Balance sheet

##### Equity investments in group entities

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

##### 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
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 determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other income or expenses.

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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.

##### Provisions

Provisions are recognised when the Company has a legal or constructive obligation. Provisions are recognised based on best estimate.

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation.

##### Liabilities other than provisions

On initial recognition, liabilities other than provisions comprising trade payables and payables to group entities are recognised at cost. In subsequent periods, liabilities other than provisions are measured at amortised cost, typically equivalent to cost.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Other liabilities are measured at net realisable value.

#### 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.

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.

## Financial statements 1 January – 31 December

### Notes

#### 2 Staff costs

DKK'000	2016	2015
Wages and salaries	0	39,852
Pensions	0	2,402
Other social security costs	0	167
Other staff costs	0	1,128
	0	43,549
Average number of full-time employees	0	21

#### 3 Related party disclosures

##### 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.

#### 4 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:

- The valuation of the deferred tax asset of DKK 1,000 thousand recognised is based on estimated future earnings and the possibility to use the asset.
- 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.