

CDK Global (Denmark) ApS

Hældagervej 165
7120 Vejle Ø

CVR no. 19 26 30 88

Annual report 2019/20

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

27 November 2020

Neil Packham
chairman

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Financial highlights for the Group	7
Operating review	8
Consolidated financial statements and parent company financial statements 1 July – 30 June	10
Income statement	10
Balance sheet	11
Statement of changes in equity	13
Cash flow statement	14
Notes	15

CDK Global (Denmark) ApS
Annual report 2019/20
CVR no. 19 26 30 88

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 CDK Global (Denmark) ApS for the financial year 1 July 2019 – 30 June 2020.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 30 June 2020 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 July 2019 – 30 June 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

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

Vejle, 27 November 2020
Executive Board:

Bo Skouby Rosendahl

Board of Directors:

Neil Packham
Chairman

Leon Daniel Goodman

James Lee Brunz

Independent auditor's report

To the shareholders of CDK Global (Denmark) ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of CDK Global (Denmark) ApS for the financial year 1 July 2019 – 30 June 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 30 June 2020 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 July 2019 – 30 June 2020 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 consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company 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.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and parent 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Parent 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 consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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.

Independent auditor's report

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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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 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 of the Management's review.

Kolding, 27 November 2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR no. 33 96 35 56

Per Schøtt
State Authorised
Public Accountant
mne28663

CDK Global (Denmark) ApS
Annual report 2019/20
CVR no. 19 26 30 88

Management's review

Company details

CDK Global (Denmark) ApS
Hældagervej 165
7120 Vejle Ø

CVR no.:	19 26 30 88
Established:	1 April 1996
Registered office:	Vejle
Financial year:	1 July – 30 June

Board of Directors

Neil Packham, Chairman
Leon Daniel Goodman
James Lee Brunz

Executive Board

Bo Skouby Rosendahl

Auditor

Deloitte
Statsautoriseret Revisionspartnerselskab

Management's review

Financial highlights for the Group

DKK'000	2019/20	2018/19	2017/18	2016/17	2015/16
Key figures					
Gross profit	136,131	131,438	139,887	129,344	139,423
Operating profit	58,552	57,486	62,758	53,463	51,917
Profit/loss from financial income and expenses	-661	-908	938	-193	51
Profit for the year	45,110	44,062	49,674	41,156	40,095
Total assets					
Equity	200,004	230,214	252,030	199,840	162,803
Investment in property, plant and equipment	94,734	126,367	157,888	109,292	83,040
	3,459	398	1,491	150	487
Cash flows from operating activities					
	-36,687	54,699	47,283	49,254	35,430
Ratios					
Return on capital (%)	29.3%	25.1%	24.9%	26.8%	31.9%
Quick ratio (%)	185.2%	219.6%	265.4%	207.4%	123.6%
Return on equity (%)	40.9%	31.0%	37.2%	42.8%	46.4%
Solvency ratio (%)	47.4%	54.8%	62.6%	54.7%	51.0%

The financial ratios have been calculated as follows:

Return on capital (%)
$$\frac{\text{Operating profit/loss} \times 100}{\text{Assets}}$$

Quick ratio (%)
$$\frac{\text{Current assets} \times 100}{\text{Short term liabilities}}$$

Return on equity (%)
$$\frac{\text{Net profit/loss for the year} \times 100}{\text{Average equity}}$$

Solvency ratio (%)
$$\frac{\text{Equity} \times 100}{\text{Assets}}$$

Management's review

Operating review

The Group's principal activities

CDK Global (Denmark) ApS specialises in IT solutions for the automobile business. The Company develops, markets and renders support for the products Dracar+, Optima21, ADP Exchange and Autoline, which together cover a modern car dealer's/car importer's need for administrative solutions and data communication. Apart from the activities in Denmark, the Company also performs product development of and support for the pan-European versions of Dracar+, Optima21 and ADP Exchange, which are marketed through subsidiaries in Norway and Sweden and other group entities in Germany and Austria.

As regards development, CDK Global (Denmark) ApS are sub suppliers to the ultimate Parent Company in the USA, Global, Inc., which owns the DMS software base.

Development in activities and financial position

Net profit for the year shows DKK 45.1 million and is in line with the budget for the year. Net profit for the Group is considered satisfactory.

Outlook

In the coming year, the Group expects the activity level to remain unchanged or at a slightly lower level. The impact from the Covid-19 pandemic is difficult to judge for the coming year, and the outlook is assuming no major negative impact on our customers activity levels.

Particular risks

Operating risks

The Company has prepared contingency plans which are regularly updated and which ensure the Company's operations.

Intellectual capital

80% of the Company's employees are key persons with extensive IT technical knowledge as well as product knowledge. Management focuses on retaining these persons as well as on developing and maintaining their competencies, which i.e. appears from the Company's personnel policy.

Research and development activities

Apart from the further development of current products to existing markets, the development trend will also go in the direction of further development of existing products to new geographical markets and launch of new Group products.

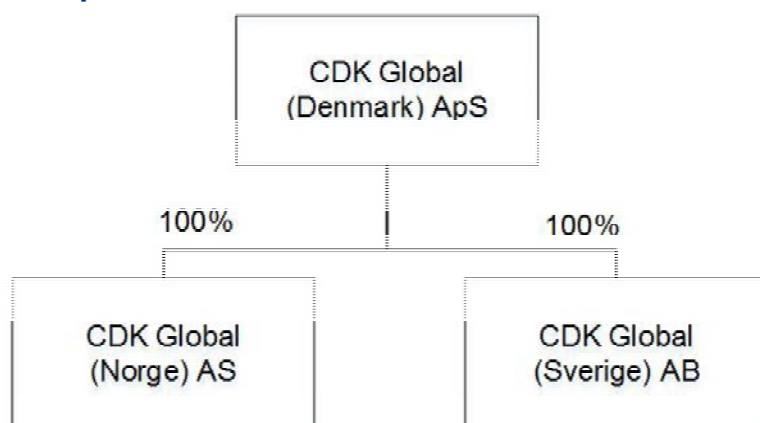
Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Management's review

Operating review

Group Chart



Consolidated financial statements and parent company financial statements 1 July – 30 June

Income statement

DKK'000	Note	Group		Parent Company	
		2019/20	2018/19	2019/20	2018/19
Gross profit		136,131	131,438	119,544	109,143
Staff costs	2	-77,056	-73,548	-64,974	-62,018
Depreciation, amortisation and impairment losses	3	-523	-404	-417	-348
Operating profit		58,552	57,486	54,153	46,777
Income from equity investments in group entities		0	0	3,679	8,167
Financial income		1,180	405	601	139
Financial expenses		-1,841	-1,313	-1,616	-847
Profit before tax		57,891	56,578	56,817	54,236
Tax on profit for the year	4	-12,781	-12,516	-11,707	-10,174
Profit for the year	5	45,110	44,062	45,110	44,062

Consolidated financial statements and parent company financial statements 1 July – 30 June

Balance sheet

DKK'000	Note	Group		Parent Company	
		30/6 2020	30/6 2019	30/6 2020	30/6 2019
ASSETS					
Fixed assets					
Intangible assets					
Goodwill	6	0	0	0	0
Property, plant and equipment					
Plant and machinery	7	1,127	481	482	342
Fixtures and fittings, tools and equipment		1,205	1,048	1,013	1,035
Leasehold improvements		2,125	0	2,125	0
		4,457	1,529	3,620	1,377
Investments					
Equity investments in group entities	8	0	0	18,613	24,068
Deposits		600	600	600	600
		600	600	19,213	24,668
Total fixed assets		5,057	2,129	22,833	26,045
Current assets					
Inventories					
Finished goods and goods for resale		75	270	50	274
Receivables					
Trade receivables		33,548	37,474	20,570	22,415
Receivables from group entities		110,143	24,681	119,432	26,966
Other receivables		2,023	1,272	118	496
Deferred tax asset	9	719	1,250	546	925
Corporation tax		1,355	996	0	0
Prepayments	10	1,809	1,721	1,686	1,321
		149,597	67,394	142,352	52,123
Cash at bank and in hand		45,275	160,421	11,986	119,925
Total current assets		194,947	228,085	154,388	172,322
TOTAL ASSETS		200,004	230,214	177,221	198,367

Consolidated financial statements and parent company financial statements 1 July – 30 June

Balance sheet

DKK'000	Note	Group		Parent Company	
		30/6 2020	30/6 2019	30/6 2020	30/6 2019
EQUITY AND LIABILITIES					
Equity					
Contributed capital		20,500	20,500	20,500	20,500
Reserve for net revaluation under equity method		0	0	15,228	20,683
Retained earnings		19,234	30,867	4,006	10,184
Proposed dividends for the financial year		55,000	75,000	55,000	75,000
Total equity		94,734	126,367	94,734	126,367
Liabilities					
Non-current liabilities					
Other payables	11	5,120	0	5,120	0
Current liabilities					
Trade payables		15,189	13,983	14,816	13,629
Payables to group entities		22,994	25,542	17,241	16,370
Corporation tax		9,378	9,838	8,958	7,816
Other payables	11	37,108	39,415	20,871	19,116
Deferred income	12	15,481	15,069	15,481	15,069
		100,150	103,847	77,367	72,000
Total liabilities		105,270	103,847	82,487	72,000
TOTAL EQUITY AND LIABILITIES		200,004	230,214	177,221	198,367

Consolidated financial statements and parent company financial statements 1 July – 30 June

Statement of changes in equity

DKK'000	Group			
	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 July 2019	20,500	30,867	75,000	126,367
Ordinary dividends paid	0	0	-75,000	-75,000
Exchange adjustment	0	-1,743	0	-1,743
Transferred over the profit appropriation	0	-9,890	55,000	45,110
Equity at 30 June 2020	20,500	19,234	55,000	94,734

DKK'000	Parent Company				
	Contributed capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 July 2019	20,500	20,683	10,184	75,000	126,367
Ordinary dividends paid	0	0	0	-75,000	-75,000
Exchange adjustment	0	-1,743	0	0	-1,743
Transferred over the profit appropriation	0	-3,712	-6,178	55,000	45,110
Equity at 30 June 2020	20,500	15,228	4,006	55,000	94,734

Consolidated financial statements and parent company financial statements 1 July – 30 June

Cash flow statement

DKK'000	Note	Group	
		2019/20	2018/19
Profit for the year		45,110	44,062
Other adjustments of non-cash operating items	16	11,707	12,840
Depreciation, amortisation and impairment losses		523	404
Cash flows from operations before changes in working capital		57,340	57,306
Changes in working capital	17	-80,297	12,663
Cash flows from ordinary activities		-22,957	69,969
Interest income		1,180	405
Interest expense		-1,841	-1,313
Corporation tax paid		-13,069	-14,362
Cash flows from operating activities		-36,687	54,699
Acquisition of property, plant and equipment		-3,459	-398
Deposits		0	4
Cash flows from investing activities		-3,459	-394
Shareholders:			
Distributed dividend		-75,000	-75,000
Cash flows from financing activities		-75,000	-75,000
Cash flows for the year		-115,146	-20,695
Cash and cash equivalents at the beginning of the year		160,421	181,116
Cash and cash equivalents at year end		45,275	160,421

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

1 Accounting policies

The annual report of CDK Global (Denmark) ApS for 2019/20 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the consolidated financial statements and parent company financial statements are consistent with those of last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise CDK Global (Denmark) ApS (Parent Company) and group entities (subsidiaries) that are controlled by the Parent Company, see group chart on page 9.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of CDK Global (Denmark) ApS and its subsidiaries. The consolidated financial statements are prepared by aggregating uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated entities are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' items are fully recognised in the consolidated financial statements. Minority interests' pro rata share of profit/loss and net assets are disclosed as a specific item in the income statement and the balance sheet, respectively.

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one effective at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When foreign subsidiaries that are independent entities are recognised, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered as belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the exchange rates at the balance sheet date as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in equity.

Income statement

Gross profit

In accordance with section 32 of the Danish Financial Statements Act, the Company has chosen to aggregate revenue, goods for resale, external costs and other income in one item called gross profit.

Revenue

Sale of system deliveries is recognised in the income statement when delivery is made, and risk has passed to the buyer. Sale of services is recognised in the income statement when the services have been rendered. Revenue is recognised excluding VAT, duties and sales discounts.

Cost of sales

Cost of sales comprises direct and indirect costs incurred to generate revenue adjusted for write-down of inventories.

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Other external costs

Other external costs comprise costs for distribution, sale, marketing, administration, premises and bad debts, etc.

Staff costs

Staff costs comprise salaries and wages as well as social security costs, pension contributions, etc. for the Company's staff.

Income from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses on payables and transactions in foreign currencies as well as surcharges and refunds under the on-account tax scheme.

Corporation tax and deferred tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Deferred tax is recognised on all temporary differences between the carrying amount and tax base of assets and liabilities, for which the tax base is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Balance sheet

Intangible assets

Development projects relating to products and processes that are clearly defined and identifiable, where the technical utilization rate, sufficient resources and potential future market or development opportunity in the Company can be demonstrated, and where it is intended to manufacture, promote or use the concerned product or the concerned process is recognised as intangible assets. Other development costs are recognised as costs in the income statement when the costs are incurred.

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Goodwill

Goodwill on acquisition of activity is amortised on a straight-line basis over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation period is 5 years.

The carrying amount of goodwill is regularly assessed and written down to recoverable amount if the carrying amount exceeds estimated future net income from the entity or activity to which the goodwill relates.

Property, plant and equipment

Land and buildings, plant and machinery, fixtures and fittings, tools and equipment, as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready for use.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	3 years
Fixtures and fittings, tools and equipment	2-7 years
Leasehold improvements	10 years

Stand-alone assets with a price of less than DKK 13 thousand per unit are recognised as costs in the income statement at the time of acquisition.

Property, plant and equipment are written down to the lower of the recoverable amount and carrying amount.

Gains and losses from the sale of property, plant and equipment are calculated as the difference between selling price minus selling costs and the carrying amount at the time of sale. Gains or losses are recognised in the income statement as an adjustment to depreciation and impairment losses or under other operating income.

Expected useful lives and residual values are reviewed annually.

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Equity investments in group entities

Investments in subsidiaries are recognised and measured under the equity method. This means that investments are measured at the pro rata share of the entities' net asset value plus or minus unamortised positive or negative goodwill on consolidation and plus or minus unrealised intra-group profits or losses.

The Company's share of the enterprises' profits or losses after elimination of unrealised intra-group profits and losses and minus or plus amortisation of positive or negative goodwill on consolidation is recognised in the income statement.

Net revaluation of investments in subsidiaries is taken to the reserve for net revaluation according to the equity method if the carrying amount exceeds cost.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost of goods for resale consists of purchase price plus landing costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred in making the sale.

Receivables

Receivables are measured at amortised cost, usually equivalent to nominal value less write-down for bad debts.

Prepayments

Prepayments comprise costs incurred relating to subsequent financial years. Prepayments are measured at cost.

Cash at bank and in hand

Cash comprises bank deposits.

Equity

Dividends

Dividends are recognised as a liability at the time of adoption at the general meeting. The proposed dividends for the financial year are disclosed as a separate item in equity.

Other financial liabilities

Other financial liabilities are measured at amortised cost which usually corresponds to nominal value.

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Deferred income

Deferred income comprises payments received regarding income in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Company's cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of entities, activities and fixed asset investments as well as the purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including the acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividends.

Cash and cash equivalents comprise cash.

No separate cash flow statement has been prepared for the parent company as this is included in the cash flow statement for the Group.

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

2 Staff costs

DKK'000	Group		Parent Company	
	2019/20	2018/19	2019/20	2018/19
Wages and salaries	69,222	62,673	57,140	54,207
Pension contribution	4,953	7,281	4,953	6,172
Other social security costs	2,881	3,594	2,881	1,639
	<u>77,056</u>	<u>73,548</u>	<u>64,974</u>	<u>62,018</u>
Average number of full-time employees	<u>109</u>	<u>107</u>	<u>91</u>	<u>91</u>

With reference to section § 98b Act. 3, No. 2 of the Danish Financial Statements, remuneration for Management is not disclosed.

3 Depreciation, amortisation and impairment losses

Plant and machinery	300	208	211	157
Fixtures and fittings, tools and equipment	<u>223</u>	<u>196</u>	<u>206</u>	<u>191</u>
	<u>523</u>	<u>404</u>	<u>417</u>	<u>348</u>

4 Tax on profit for the year

Current tax for the year	12,251	12,165	11,328	9,833
Deferred tax for the year	<u>530</u>	<u>351</u>	<u>379</u>	<u>341</u>
	<u>12,781</u>	<u>12,516</u>	<u>11,707</u>	<u>10,174</u>

5 Proposed profit appropriation

Reserve for net revaluation under equity method	0	0	-3,712	-10,992
Proposed dividends for the year	55,000	75,000	55,000	75,000
Retained earnings	<u>-9,890</u>	<u>-30,938</u>	<u>-6,178</u>	<u>-19,946</u>
	<u>45,110</u>	<u>44,062</u>	<u>45,110</u>	<u>44,062</u>

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

6 Intangible assets

	Group
DKK'000	<u>Goodwill</u>
Cost at 1 July 2019	<u>63,877</u>
Cost at 30 June 2020	<u>63,877</u>
Amortisation and impairment losses at 1 July 2019	<u>-63,877</u>
Amortisation and impairment losses at 30 June 2020	<u>-63,877</u>
Carrying amount at 30 June 2020	<u><u>0</u></u>
	Parent Company
DKK'000	<u>Goodwill</u>
Cost at 1 July 2019	<u>60,257</u>
Cost at 30 June 2020	<u>60,257</u>
Amortisation and impairment losses at 1 July 2019	<u>-60,257</u>
Amortisation and impairment losses at 30 June 2020	<u>-60,257</u>
Carrying amount at 30 June 2020	<u><u>0</u></u>

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

7 Property, plant and equipment

	Group			
	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
DKK'000				
Cost at 1 July 2019	6,026	3,350	0	9,376
Exchange rate adjustment	-11	-19	0	-30
Additions for the year	952	382	2,125	3,459
Cost at 30 June 2020	6,967	3,713	2,125	12,805
Depreciation and impairment losses at 1 July 2019	-5,545	-2,302	0	-7,847
Exchange rate adjustment	5	17	0	22
Depreciation for the year	-300	-223	0	-523
Depreciation and impairment losses at 30 June 2020	-5,840	-2,508	0	-8,348
Carrying amount at 30 June 2020	1,127	1,205	2,125	4,457
	Parent Company			
	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
DKK'000				
Cost at 1 July 2019	5,196	3,167	0	8,363
Additions for the year	351	184	2,125	2,660
Cost at 30 June 2020	5,547	3,351	2,125	11,023
Depreciation and impairment losses at 1 July 2019	-4,854	-2,132	0	-6,986
Depreciation for the year	-211	-206	0	-417
Depreciation and impairment losses at 30 June 2020	-5,065	-2,338	0	-7,403
Carrying amount at 30 June 2020	482	1,013	2,125	3,620

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

8 Investments

	Parent Company
	<u>Equity investments in group entities</u>
DKK'000	
Cost at 1 July 2019	3,385
Cost at 30 June 2020	3,385
Revaluations at 1 July 2019	20,683
Exchange adjustment	-1,743
Net profit/loss for the year	3,679
Received dividends	-7,391
Revaluations 30 June 2020	15,228
Carrying amount at 30 June 2020	18,613
	<u>Voting rights and ownership interest</u>
Name/legal form	<u>Registered office</u>
Subsidiaries:	
CDK Global (Norge) AS	Oslo, Norway 100%
CDK Global (Sverige) AB	Stockholm, Sweden 100%

9 Deferred tax asset

	Group		Parent Company	
DKK'000	30/6 2020	30/6 2019	30/6 2020	30/6 2019
Deferred tax 1 July	1,250	1,601	925	1,266
Deferred tax asset	-531	-351	-379	-341
	<u>719</u>	<u>1,250</u>	<u>546</u>	<u>925</u>

Based on the budgets until 2022, Management has estimated that there will be future taxable income in which unutilized tax deductions can be utilized.

10 Prepayments

These items consist of accrued expenses primarily concerning contracts for software and technical maintenance.

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

11 Other payables

CDK Global (Denmark)'s other payables fall due as follows:

	Group		Parent Company	
	30/6 2020	30/6 2019	30/6 2020	30/6 2019
DKK'000				
< 1 year	37,108	39,415	20,871	19,116
1-5 years	5,120	0	5,120	0
> 5 years	0	0	0	0
	<u>42,228</u>	<u>39,415</u>	<u>25,991</u>	<u>19,116</u>

12 Deferred income

These items consist of deferred income primarily concerning contracts for software and technical maintenance.

13 Contractual obligations, contingencies, etc.

	Group		Parent Company	
	2019/20	2018/19	2019/20	2018/19
DKK'000				
Operating lease obligations				
Annual expense of operating leases	<u>2,316</u>	<u>3,302</u>	<u>841</u>	<u>1,747</u>

For the years 2018-2025, operating leases concerning operating equipment, buildings and cars have been concluded.

14 Related party disclosures

CDK Global (Denmark) ApS' related parties comprise the following:

Control

CDK Global group B.V. Prins Bernhardplein 200, 1097JB Amsterdam, Holland.

CDK Global group B.V. holds the majority of the contributed capital in the Company.

CDK Global (Denmark) ApS is part of the consolidated financial statements of CDK Global Inc, 1950 Hassell Road, Hoffman Estates, IL 60169-6308, which is the largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements can be obtained by addressing CDK Global (Denmark) ApS.

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, related party transactions have not been disclosed in the consolidated financial statements and parent company financial statements, as they were conducted on an arm's length basis.

Consolidated financial statements and parent company financial statements 1 July – 30 June

Notes

15 Disclosure of events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

DKK'000	Group	
	2019/20	2018/19
16 Other adjustments of non-cash operating items		
Other financial income	-1,180	-405
Financial expenses	1,841	1,313
Current tax for the year	12,251	12,165
Provision for deferred tax	530	341
Other	-1,735	-574
	<u>11,707</u>	<u>12,840</u>
17 Change in working capital		
Change in inventories	195	-109
Change in receivables	-82,375	648
Change in trade and other payables	1,883	12,124
	<u>-80,297</u>	<u>12,663</u>