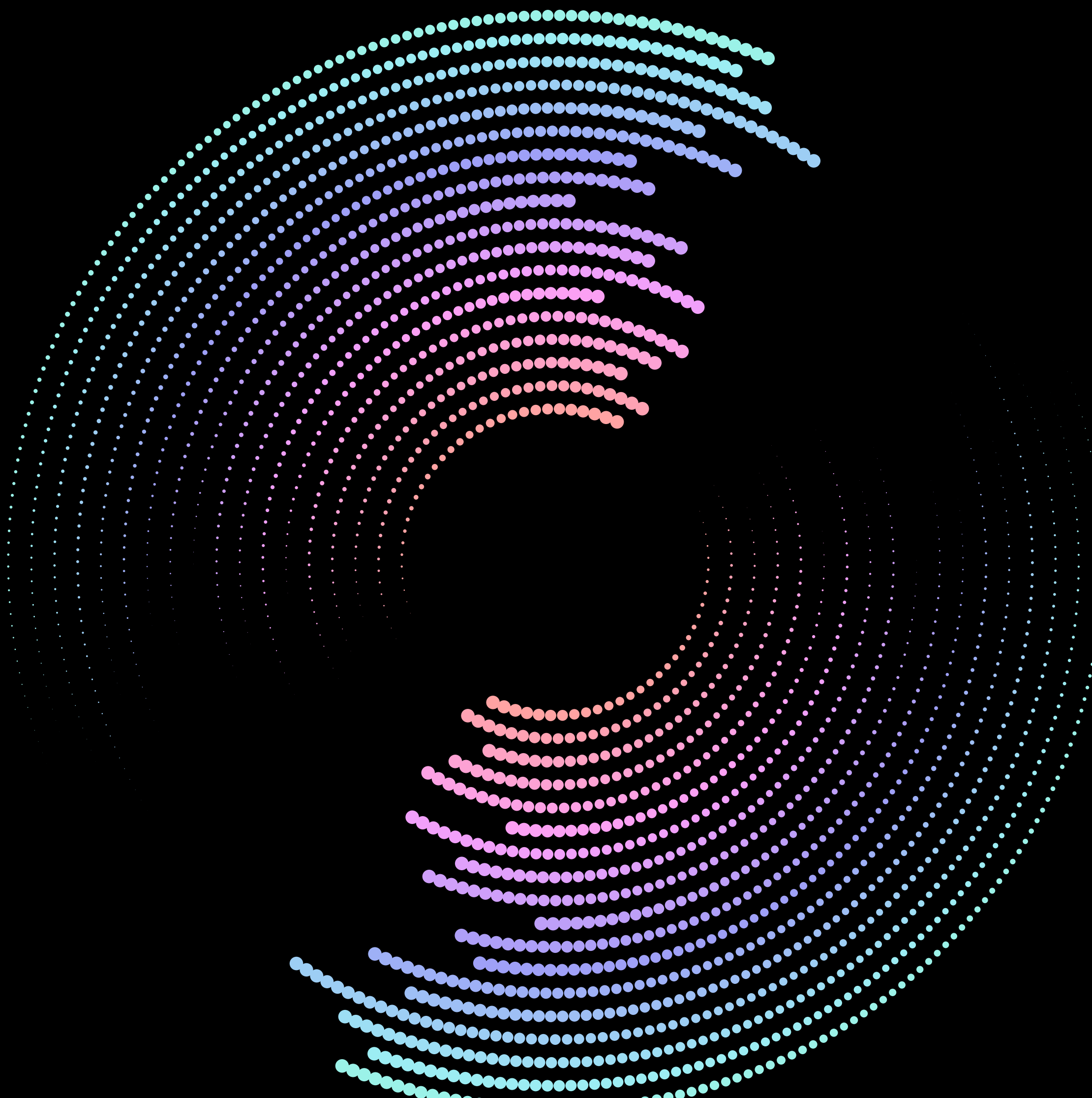
Deloitte.



Annual Report
17/18

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Living our purpose

By Anders Vad Dons, CEO and partner

“We don’t fail. We learn. Creating a learning culture is essential to our performance and motivation going forward.”

In two years from now, Deloitte will celebrate its 175th anniversary as a global brand. Not many companies in this fast-changing era can say that. The world outside is becoming more unpredictable than ever, and new megatrends arise. Digitalisation and Industry 4.0 are disrupting our businesses, while opening new opportunities, business models and partnerships. With increased regulation, it is increasingly mportant to run a responsible business.

Millennials will soon account for the vast majority of the workplace. They expect business leaders to take more responsibility for the world around us and its most challenging issues. Millennials also expect to work for purpose-led companies, that offer flexible working conditions and a diverse and inclusive workplace.

I believe the reason we still exist and continue to be market leading is because we manage to embrace and embark on paradigm shifts, adapt our business to new market conditions – and it is because we continue to drive change, innovate and grow stronger. Our global presence enables us to build competence centres of excellence; our local presence and expertise means we can provide targeted value to each of our clients. I also believe that our ambition to be the undisputed leader in professional services is our driving force, while our 2020 strategy helps us maintain and strengthen this position.

Looking back at the past year at Deloitte, I am amazed by what we have achieved. We have a strong team of passionate people, committed to making an impact for our clients, the people we work with and the society we live in. We talk about impact because it is central to our purpose. It is why we do what we do and how we measure ourselves. It is a way to show our stakeholders the difference we make.

Global range, local impact

The global integration of our firm continues within our three regions. On 1 June 2016, the Nordics came together as one Deloitte member firm. On 1 June 2017, we created our North West Europe (NWE) firm, combining the Nordic countries with UK, Switzerland, Belgium and the Netherlands – and in June this year, Ireland joined the fold. Bringing together more than 35,000 people in 10 countries has made us a larger, stronger firm, and we all benefit from the diversity of our people, their outlooks, experience and entrepreneurship. By pooling our ideas and investments, we can offer our clients more innovative services that continue to evolve. And we can deliver more quickly and with impact across markets. An example is how we brought together NWE forensic experts and risk advisory teams to help Maersk recover from a cyber attack that brought the shipping giant to a halt.

Impact for our clients

Deloitte is the no. 1 audit and advisory firm in Denmark, and we are first and foremost here to serve the public trust. We are constantly moving from executing on transactions to building stronger relationships, becoming trusted advisors and offering our clients the best of Deloitte. Globally and locally. We increasingly go to market as One Deloitte. The industry focus and strategic client programmes enable us to win bigger and more impactful projects and become better auditors and advisors for our clients. Our client base today spans large corporations that operate internationally to small and medium-sized companies with enormous growth potential. They span sectors from energy and resources, shipping and pharma to industrial and consumer products. Our strongholds also include financial services, public sector, private equity and family businesses. The diversity of our client portfolio combined with our level of expertise is unique.

More than 2700 people go to work every day to make an impact that matters for our clients, each other and the society around us. We promote a culture of courage with diverse perspectives, which will enable us to innovate and co-create in the future.

Deloitte is the no. 1 audit and advisory firm in Denmark

People impact

In Denmark, more than 230 partners and 2,500 people go to work and make a huge impact for our clients and each other every day, while developing the market and each other, challenging the status quo. Deloitte moved up the ladder to become the No. 3 best place to work in Denmark among business students in Universum’s ranking.

I am proud to be part of this team, which continues to place diversity and inclusion first; which is committed to succeed with the gender agenda by getting more women in leadership positions; which provides a learning culture through coaching, where it is acceptable to fail and where individual progress comes first. This year, we launched ‘Happy Parents’ and ‘Work Agility’ initiatives to provide greater flexibility for people to accommodate a better work-life balance.

Social impact

We continue to have social impact as a cornerstone of our existence – both globally and locally. In Denmark, a highlight this year is Small Great Nation – our ambition to analyze and create a discussion around Denmark’s brand from a long-term perspective. Small Great Nation is based on a strong collaboration with think tank Kraka to enable a fact-based discussion on Denmark's strengths, opportunities and challenges. The first year in, we have engaged business leaders, political leaders and ambassadors across the country, and the interest has been overwhelming.

The Sustainable Development Goals (SDGs) have also become an important priority for Deloitte Denmark, as our clients increasingly look to incorporate SDGs into their strategies. We launched the SDG Accelerator with United Nation's Development Programme (UNDP) to help companies incorporate SDGs into new innovation and partnerships, and we helped 20 municipalities build SDGs into policies and new initiatives.

3rd best place to work in Denmark

A global initiative, UNLEASH, took place in Denmark in August 2017, and was the world's first and most ambitious innovation workshop that brought together 1,000 global talents to co-create on solutions for the Sustainable Development Goals. As lead innovation partner of UNLEASH, Deloitte led the innovation process through our highly skilled professionals and talents, and in June 2018, we repeated the success – this time in Singapore. From the two events, 350 solutions were developed for the SDGs.

UNLEASH is an initiative that supports Deloitte's WorldClass initiative – our global ambition and commitment to create a positive impact on 50 million futures by 2030 through education, skills development and access to opportunities.

Innovation is at the core of our existence, and together with our global firm, we continue to invest significantly in new

50 Deloitte facilitators come together to enable one of the most ambitious innovation workshops in the world, bringing 1000 global talents together to co-create on solutions for the Sustainable Development Goals.

technologies, such as blockchain, artificial intelligence and Internet of Things. We also launched Deloitte Studio – our very own creative and digital hub, where we can co-create and innovate with our clients as well as showcase new technologies. Innovation is also happening with our global alliance partners such as Apple, SAP, Salesforce, Amazon and Adobe. Global and local alliance partners are a very important part of our eco-system.

Our **Audit business** has had a transformative year with the launch of DeloitteDirect – a new cloud-based collaboration platform and audit analytics tools. Audit & Assurance also received strong quality approval from the Danish Business Authority (Erhvervsstyrelsen), at a time where an ambitious audit transformation took place, and we also secured significant wins and reappointments across industries.

11% growth compared to last year

Our **Consulting business** has had another strong year and is transforming with high speed, delivering high growth and winning across industries. The rise was mainly a result of a growing demand for our business transformation capabilities, digital solutions such as cloud and analytics combined with a number of major global client projects.

In **Financial Advisory**, we had another strong year with focus on growth within Corporate Finance, Transaction Services and Valuation as well as expansion with a Nordic financial services hub and a forensic crime unit.

Risk Advisory continues to grow by leading with cyber innovation and services, as well as helping companies comply with regulatory demands. With the increasing number of cyber attacks among large corporations and the public sector, cyber is an area where we continuously work to outsmart the hackers. In general, Risk Advisory is a part of the business that continues to build multiple new services at high pace and with high growth potential.

Tax & Legal has also invested in digital services and alternative delivery models to keep driving strong growth across all service lines. Tax & Legal was once again awarded Tax Firm of the Year as well as Transfer Pricing Firm of the Year and had strong wins across sectors.

Results – with such a strong focus on client impact, creating the workplace of the future and making an impact in society, I am particularly proud of our financial results this year, which show revenues of DKK 3.4 billion. This is 11% growth compared to last year – and builds on our consistent growth rate over the past four years. From an image perspective, we were awarded with the strongest image in our industry according to Berlingske's annual image survey.

At Deloitte, we're more than auditors, consultants, financial advisers, analysts or tax specialists. Every day, we're building trust and confidence in the markets, supporting inclusive growth and developing skills so our country can thrive. Looking ahead, it is our ambition to keep driving change for the market and our clients, to promote a learning culture and to create an impact in the society around us.

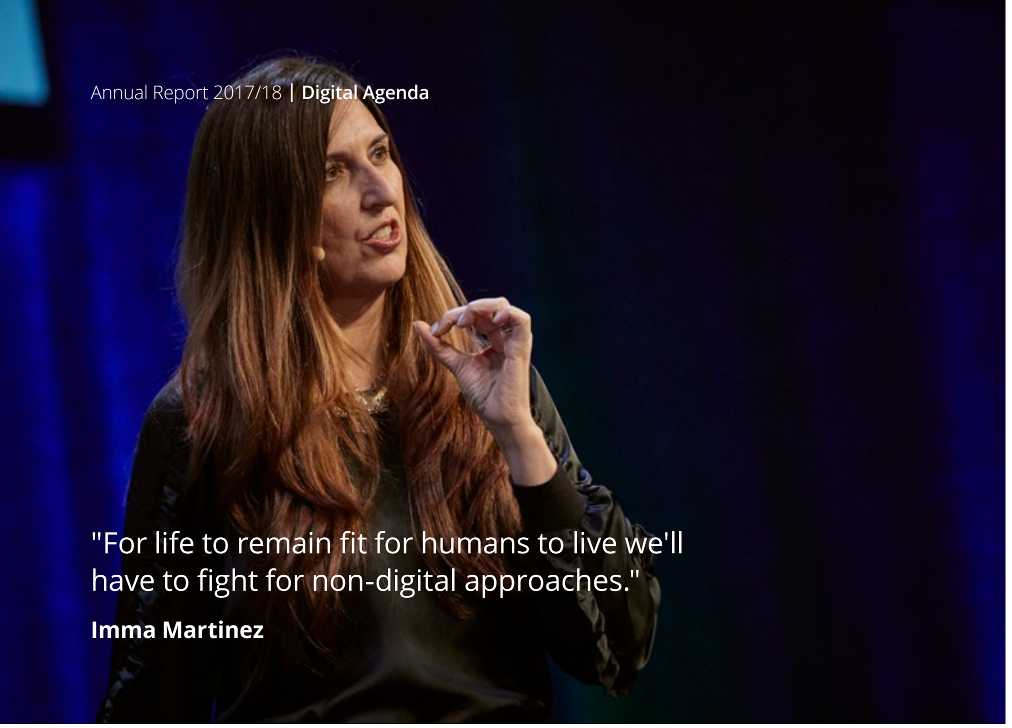
"We will continue to be bold enough to create a culture of courage, to drive change and embrace diversity in our teams and as a firm. That will enable us to make our clients and each other successful in the future."

Anders Vad Dons, CEO and partner

Digital Agenda 2018

Welcoming the digital future

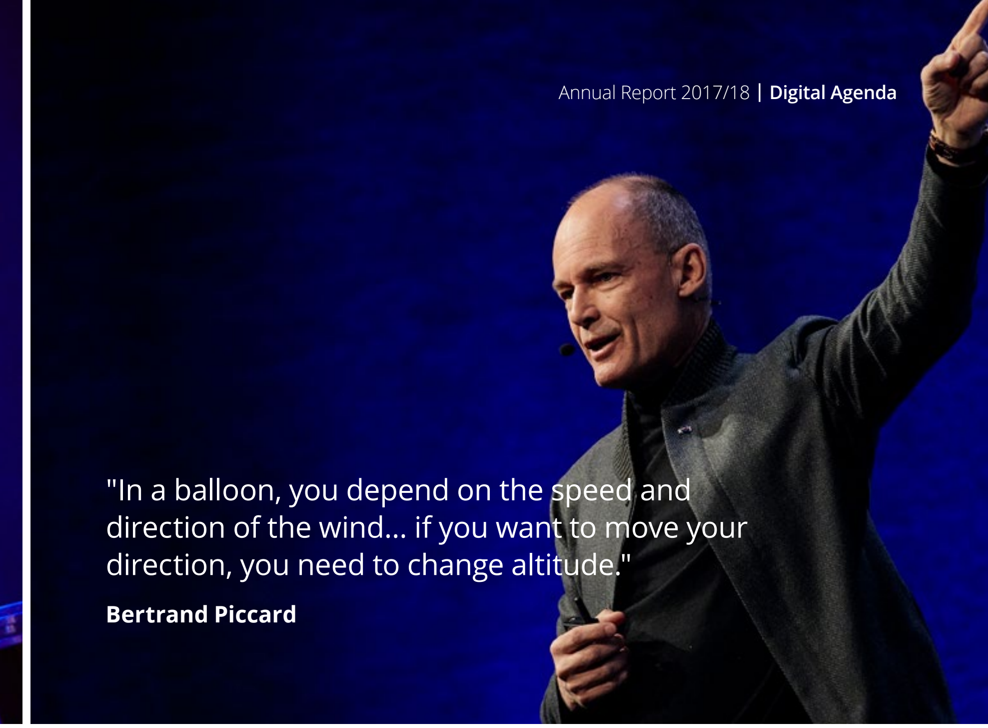
Digital Agenda is one of the largest conferences in the Nordics on digital transformation. It incites new thinking, enhances networking and boosts knowledge within the digital space. The aim of this ambitious event is to inspire and share insights, ideas and digital tools that will make tomorrow better and the future brighter.



"For life to remain fit for humans to live we'll have to fight for non-digital approaches."

Imma Martinez

Annual Report 2017/18 | **Digital Agenda**



"In a balloon, you depend on the speed and direction of the wind... if you want to move your direction, you need to change altitude."

Bertrand Piccard

Digital Agenda 2018

Participant satisfaction

4.3 of 5

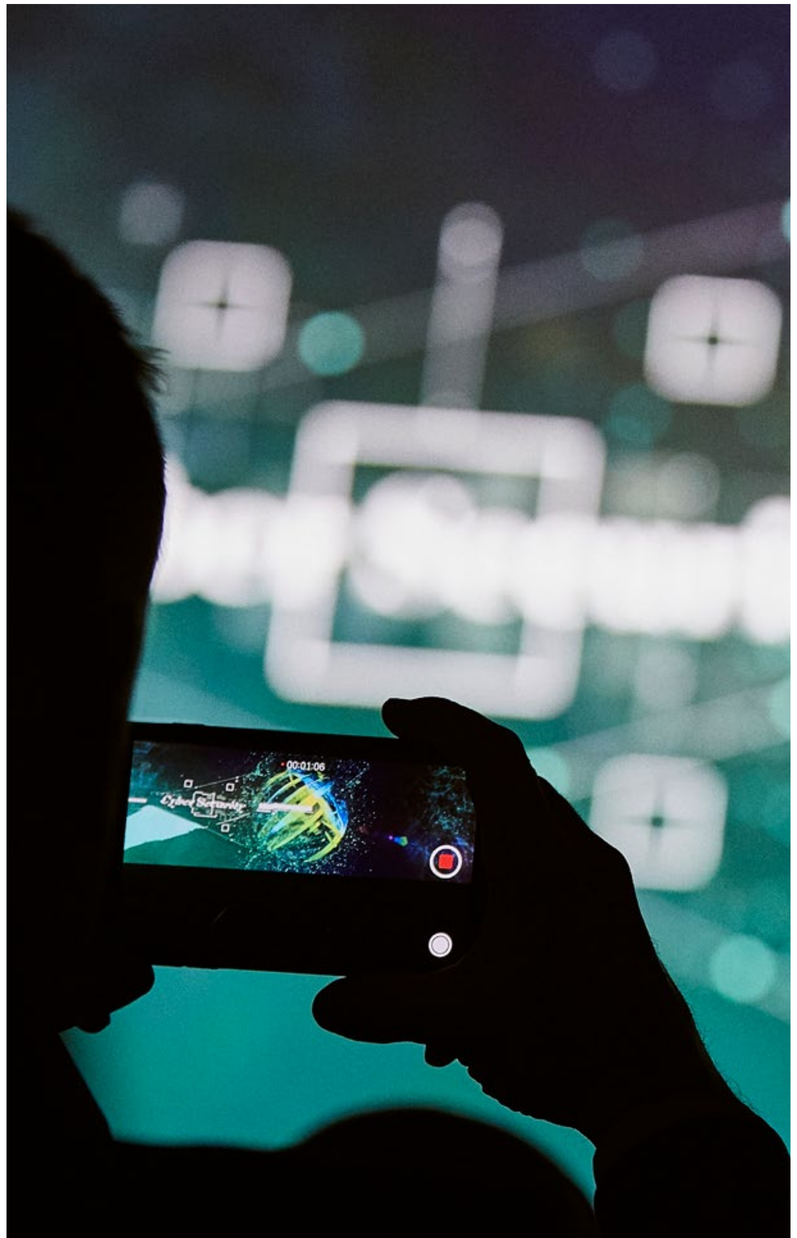
Participants

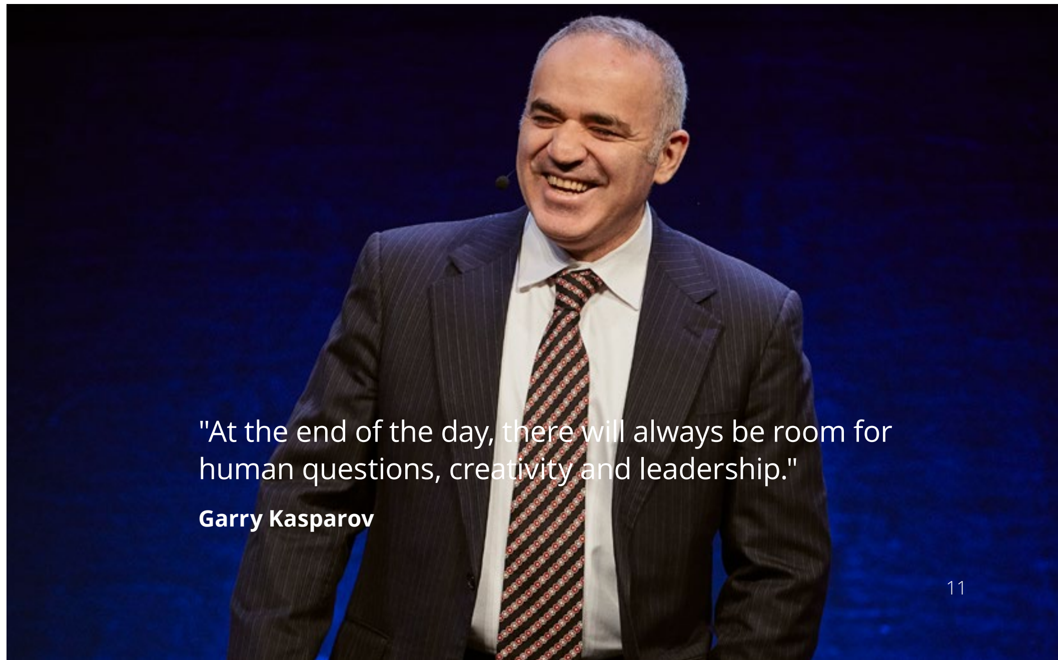
700+

Speakers

32

including Imma Martinez, Bertrand Piccard and Garry Kasparov





"At the end of the day, there will always be room for human questions, creativity and leadership."

Garry Kasparov

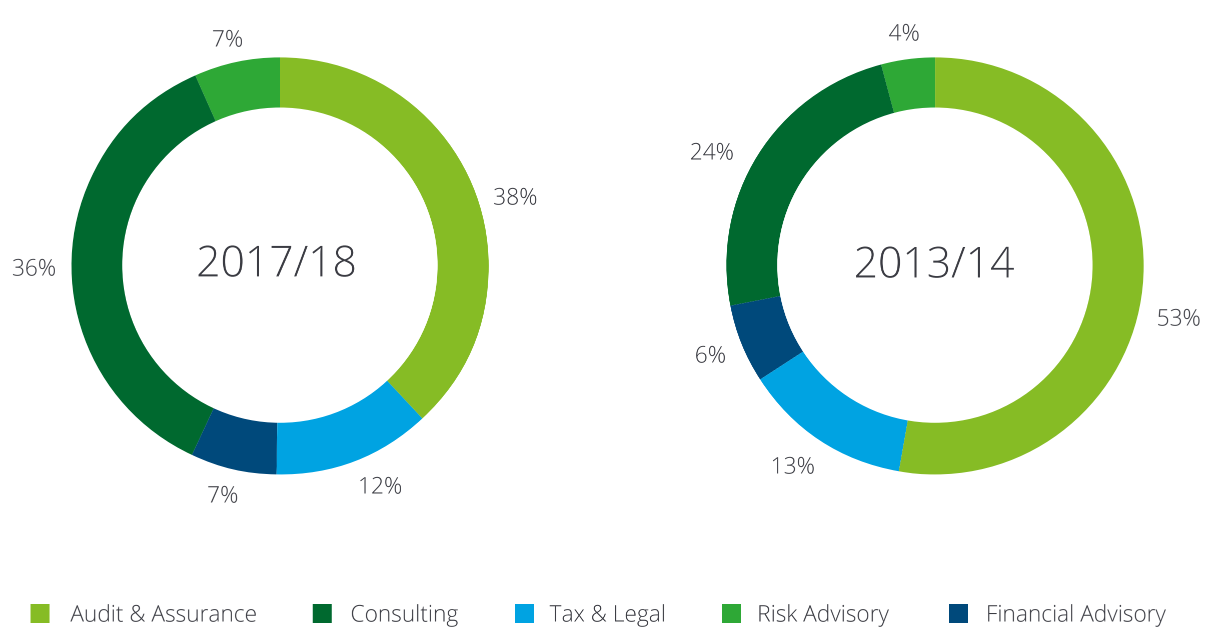
Financial highlights

Revenue
Revenue for the financial year 2017/18 amounts to DKK 3,429m against DKK 3,091m for 2016/17, representing 11% growth that results primarily from organic growth.

Financial performance for the year
Profit for the financial year 2017/18 amounts to DKK 87m, which is DKK 1m more than last year. In evaluating the profit, it should be considered that the shareholders of the Company are also its partners and that their remuneration is profit-related. This remuneration has been recognised in staff costs.

Development in number of employees
At financial year-end, the number of employees was 2,717 compared to 2,741 the previous year. Out of the number of employees, 232 were partners.

Revenue by business unit
As expected, the development in the composition of business units is that, over a five-year period, Audit will account for a declining part of total business as the advisory services market is increasing relatively more.



Financial highlights

Key figures	2017/18 DKK'm	2016/17 DKK'm	2015/16 DKK'm	2014/15 DKK'm	2013/14 DKK'm
Revenue	3,429	3,091	2,838	2,564	2,326
Operating profit*	92	89	69	66	60
Profit/loss after financial items, net	(4)	(3)	(4)	(2)	(7)
Profit for the year*	86	86	65	64	53
Client receivables and contract work in progress	1,026	852	772	728	647
Equity	547	518	487	475	465
Balance sheet total	1,809	1,689	1,580	1,428	1,276
Investment in intangible assets	11	9	82	73	11
Investment in tangible assets	11	33	11	38	13
Invested capital, including goodwill	867	778	628	698	492
Net interest bearing liabilities	349	229	115	206	27
Average no. of full-time employees	2,513	2,553	2,379	2,285	2,140
Key ratios					
Net profit ratio (%)	2.7	2.9	2.4	2.6	2.6
Financial gearing	0.6	0.4	0.2	0.4	0.1
Solvency ratio (%)	30.2	30.7	30.8	33.2	36.4

Key figures and key ratios are defined and calculated in accordance with the CFA Society Denmark's current version of "Recommendations & Ratios".

*In assessing the result, it must be taken into account that the shareholders of the Company are also partners in the Company and that the remuneration of these is dependent on profits. The remuneration is expensed under staff costs.

2020 strategy

Towards undisputed leadership

Deloitte's strategy towards 2020 is founded on our aspiration to be undisputed market leader within professional services. This aspiration reflects our purpose to make an impact on everything that matters to our clients, people and the societies we live in. This means we are committed to doing everything within our power to make our clients and each other successful. Our strategy is designed to respond to megatrends around digitalisation, workforce of the future and competitive landscape.

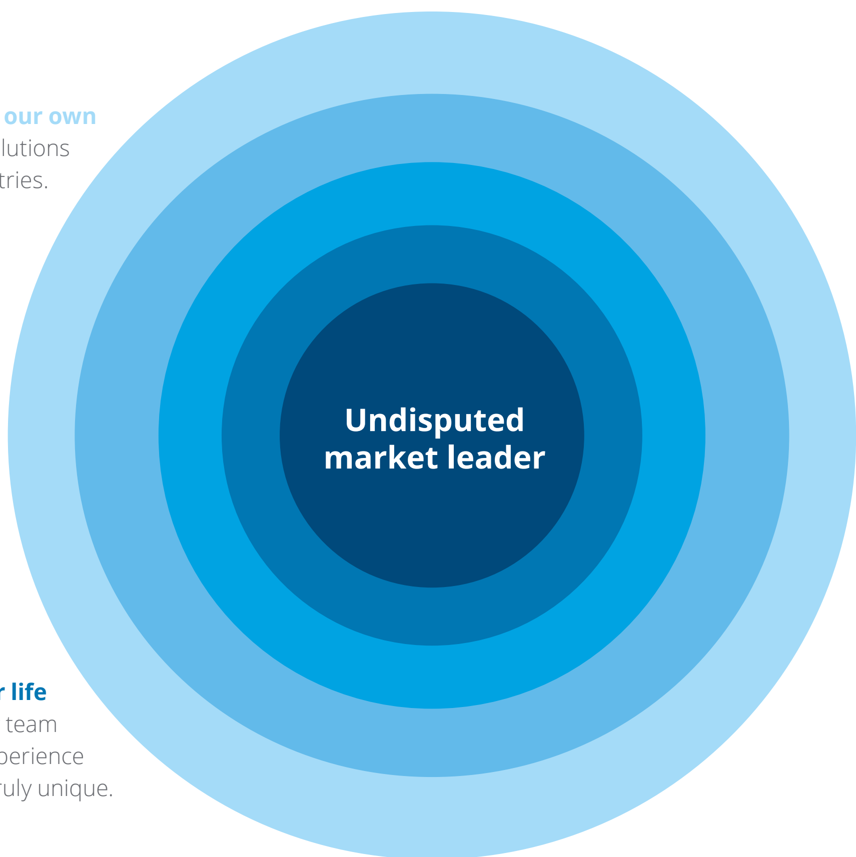
The strategy builds on the following principles:

In a league of our own
We provide world-class solutions across industries.

Running a responsible business
Our code of conduct and ethical principles are non-negotiable.

Sharing knowledge and co-creating
We leverage global knowledge and innovation as well as local relationships. We focus on collaboration, knowledge sharing and new partnerships and alliances to build a strong eco-system.

Colleagues for life
We play to win through passion, strong team effort as well as creating a learning experience for life, so the time with Deloitte is truly unique.



The 2020 strategy was laid out in 2014 and involves four transitions that ensure we offer the best of Deloitte to our clients. Already ahead of the plan, here is the status on the four strategy pillars:

1 From biggest to best

We continue to invest in transforming existing businesses and create new service areas, so we can offer our clients the most innovative solutions. New partnerships and alliances - as well as audit transformation, cyber, robotics, blockchain and a new creative innovation hub - have emerged this year.

2 Transform industries

A stronger global integration and focus on innovation means we have the best industry experts in the market. Our industry focus provides a unique understanding of our clients' business and the markets they operate in, so we are better positioned to help transform their businesses.

3 Integrated solutions

We go to market as One Deloitte – with more integrated and holistic solutions that meet our clients' challenges and needs, rather than providing stand-alone solutions. We move from transaction-based solutions to long-term transformation.

4 Playing to win

Deloitte's scarcest resource is our people, and we have a particular focus on creating a strong learning experience, winning culture and team spirit. A culture of courage that promotes diversity of thought, gender and background combined with leading performance is how we release the potential of our people.

Three years into our 2020 strategy, we are ahead of the plan. The financial performance is more than a year ahead despite big investments in new services by our five businesses. We have accelerated the global integration of Deloitte and are now part of North West Europe and Nordics. Strategic client relationship programs and a focus on being best within industries and market segments show strong growth.

We continue to have the best image in our profession and are the 3rd most attractive workplace among business students. We have created strong talent, leadership and diversity programs, but are behind plan in developing female leaders and partners. We changed our footprint in Denmark from 21 to eight offices to build stronger talent environments and deliver high client service.

Client impact: Maersk

All hands on deck

On 27 June last year, A.P. Moller Maersk's screens went black. A global cyber attack had infected their network across ports and offices in over 120 countries. Laptops stopped working, and the world's largest shipping distribution company came to a halt.

The cyber attack that hit the container business was initiated by a previously unseen type of malware that destroyed all of Maersk's Windows compute capability, stopping most operations around the world.

When Maersk called us for support, we were able to scramble a top team to be on the ground within hours. Over the coming days and weeks this team grew to over 130 professionals working in shifts 24/7 as a united Maersk/Deloitte team to restore systems and get the organisation back up and running.

A global effort

While we worked with Maersk's IT team to restore their systems, we also focused on reverse engineering the virus. We provided security intelligence within hours of being on site, giving critical insights on how to stop the virus from reinfecting and thus stopping any recovery effort. Our support helped ensure Maersk's network was protected against a similar virus attack and enabled recovery of business service operations. There was also a joint UK, Dutch and India team providing security validation for all new server builds, processing over 1,200 servers across the globe in ten days.

Dan McMillan, one of the first Deloitte team members on the ground, said: "The most important things to do in such a situation are to first understand what you're dealing with, and second, to call for the right kind of help. Maersk did both. They handled the situation professionally from day one."

Getting ships on the move

We combined Maersk's IT team with a diverse Deloitte team that comprised skills in crisis response, cybersecurity, dark web, large-scale infrastructure delivery, risk advisory, consulting, forensics and financial services across the world to restore control of Maersk's central IT systems.

In five weeks we had successfully supported Maersk in rebuilding its core IT capability, including 60,000+ laptop builds, a global upgrade to Windows 10, reconstruction of their server infrastructure, access to world class security monitoring, and restarting the world's most automated terminal in nine days. Importantly, Maersk had their ships – and world trade – moving again.

"So many people within and outside our organisation helped in this recovery, and Deloitte made a visible impact in a very short space of time. Rather than simply supplying a service, Deloitte worked with our people to solve the problem and helped us to improve what we do. No company is immune to a cyber attack and we're now building a more secure and reliable infrastructure that can support the future growth of Maersk."

Adam Banks, Chief Information Officer, Maersk

Photo: Maersk

Annual Report 2017/18 | **Client impact**

Audit & Assurance

A year of transformation

Many drivers are affecting the audit business landscape today. Digitalisation and automation of our services, increasing expectations to quality from regulators and investors, and continuous globalisation, which forces the audit industry to work even more seamlessly across borders and brings in intense competition. All these drivers call for a strategic and innovative response, which is why 2017/18 was all about starting the multiyear transformation journey of our Audit & Assurance practice.

As anticipated and due to disposals last year, revenues in Audit & Assurance have been flat this year, and we continue to retain our market position as one of Denmark's leading auditing businesses.

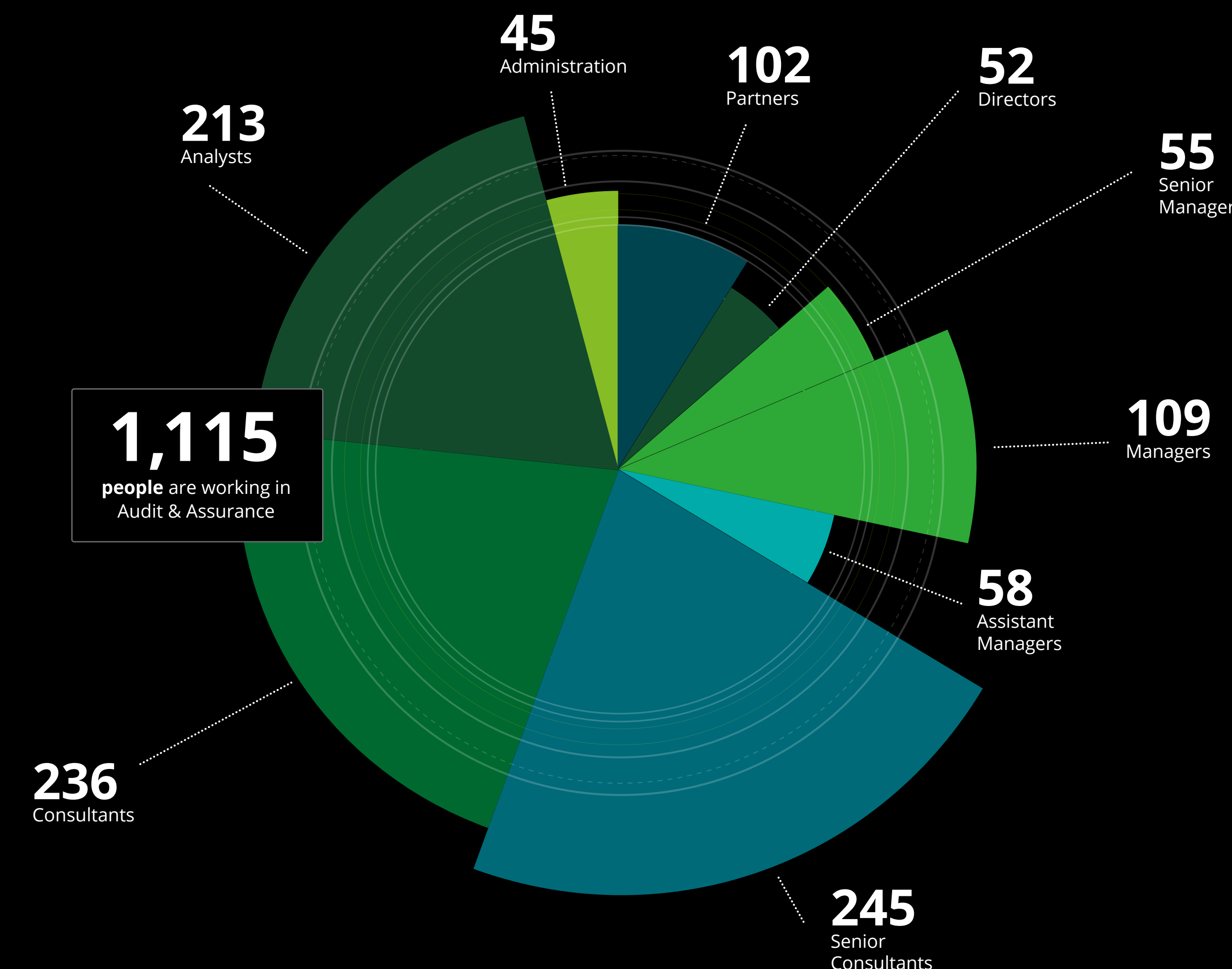
To address the external drivers, we have continued to invest heavily in quality and technology to accelerate the transformation of our business in order to meet the increased expectations from regulators and clients. Our ambition is to serve our existing clients in a smarter way and leverage new technologies to achieve greater consistency and more standardisation. In 2017/18, we introduced DeloitteDirect – a cloud-based collaboration platform for clients to store files and provide a complete overview of their finances via user-friendly dashboards integrated with their ERP system.

We have also invested in developing an innovative system for financial reporting in which we incorporate new technologies such as machine learning and cognitive intelligence. This will streamline processes and reinvent the way we do financial statements. Finally, we have developed new audit analytic tools, which will play a central role in the future of audit. The analytic tools provide valuable insights to the audit teams and give our clients important insights about their business, to help them focus on top priorities and make better decisions.

Quality will always be the essence of our business. And quality is not only a matter of investing in the right technology and processes – it is primarily about investing in the development of our culture and people. In Audit & Assurance, we develop auditors for today and for the future, building advanced skills and critical thinking. In 2017/18, we launched the ChangeMaker programme – an audit graduate programme empowering people to challenge and change our own business. The programme brings our people quickly up to speed, so that they can accelerate their career in Deloitte and make an impact that matters from day one. ChangeMaker also strengthens the culture of innovation and integrity.

Annual Report 2017/18 | **Audit & Assurance**

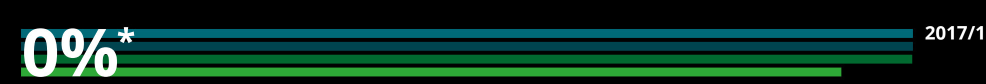
Audit & Assurance



Gender distribution

Average age

Revenue



* After adjustment of disposals last year

Consulting

Digital transformation and global expertise

Consulting generated an extraordinary result for 2017/18 with an increase in revenue of 37%. The increase was across the public as well as the private sector and was mainly a result of a growing demand for our business transformation capabilities, and digital solutions combined with a number of major global client projects.

To help position our clients better for future growth, Consulting has made further investments in developing our capabilities within emerging business disruptors, including automation, blockchain, artificial intelligence and robotics. Our investments in new technologies continue, ensuring that we are capable of helping our clients with their most complex transformational challenges.

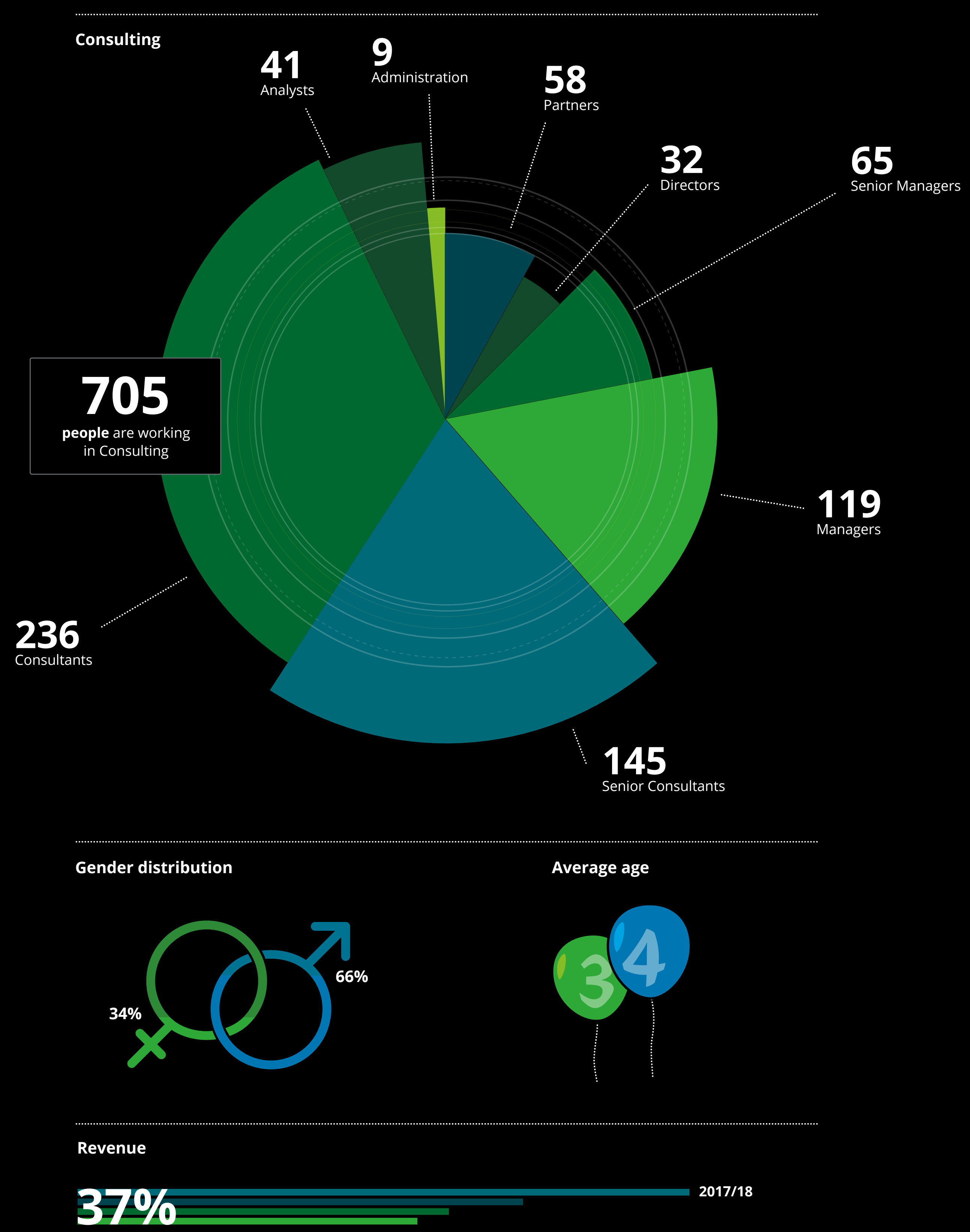
In 2017/18, we also strengthened the collaboration with our strategic partners - some of the world's leading technology and service companies to deliver innovative solutions for our clients. Partnerships that enable our clients to rapidly adopt and leverage the potential of digital solutions. The next wave of SAP S/4HANA is developing rapidly along with e-commerce and HR solutions, such as Hybris, Adobe, SAP, Successfactors and Workday. We will continue to create, use and grow relationships with leading digital brands.

Digital transformation now accounts for the vast proportion of the work conducted in Consulting, positively affecting our strategy services in Monitor Deloitte, which help our clients establish clear and coherent strategies. Monitor Deloitte is now in a stronger position than ever, as the digital agenda has become a C-level priority. A number of important wins made 2017/18 a successful year in Monitor Deloitte, auguring well for FY19.

In June 2018, we acquired Struensee & Co., a high-end strategy firm focusing on the public sector. Together, we now operate a leading strategy practice at scale and across industries.

Deloitte Digital also gained traction in 2017/18, as we opened the doors to our new premises, Deloitte Studio in December. The workspace is designed to spark creativity, idea generation and co-creation between clients and client teams, and bears a resemblance to the environments in digital agencies. The intention is to create a workplace that appeals to the diverse profiles we employ in Deloitte Digital, including digital developers, engineers, designers and other creatives. Furthermore, we want to be able to offer our clients a different and distinct experience.

To succeed in helping our clients with their most complex business issues, we need people with different skillsets and mindsets . The common denominator is their ability to think business and innovation while deploying technology. Our success as a high-performing organisation is dependent on our ability to attract and retain our people through continuous development and a strong focus on leadership. Our people are our top priority and we do everything in our power to create a flexible and agile workplace with a high level of diversity, inclusion and openness.



Tax & Legal

Strong results and prestigious award

Tax & Legal delivered strong results in 2017/18 with an increase in revenue of 6% – a result of great activity in the market, new wins and a number of macroeconomic events boosting demand for tax advisory services.

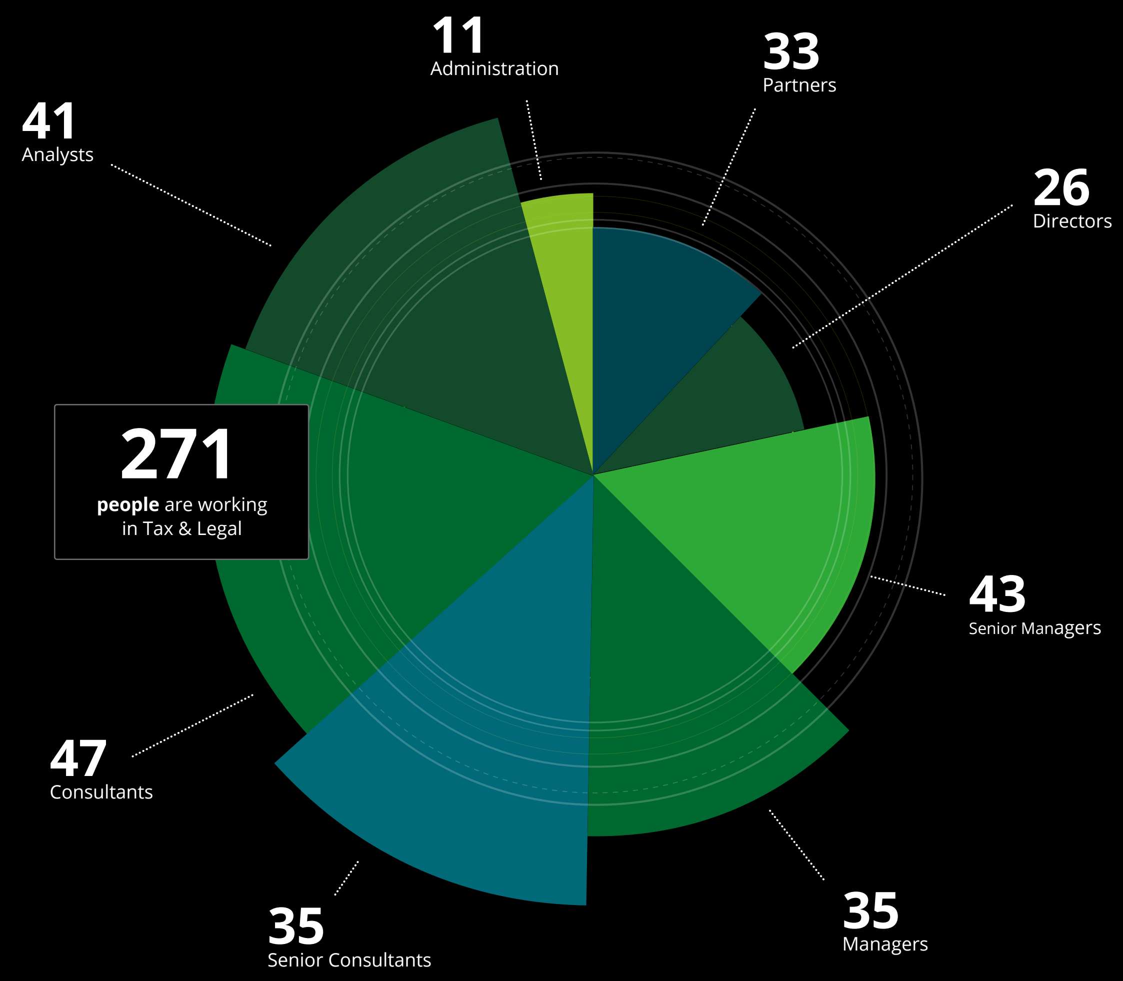
Our clients are facing unprecedented levels of uncertainty and regulatory change along with new technologies disrupting their business environment. In addition, clients are concerned with the implications of Brexit and the escalating U.S. trade tariffs. In Tax & Legal, we guide clients through uncertainty by combining tax advisory services with pioneering technology.

Over the past year, we have further strengthened our global processes and workflows with new digital tools. For instance, myInsight – a Tax & Legal digital platform – is reinventing the way we work globally with our clients and people. It is a secure platform providing clients and the client team with integrated access to applications, task management and real-time insights and status updates. myInsight has helped us build stronger relationships with clients and colleagues around the world, and given us a competitive edge by having more components of our service delivery model digitally connected and consistently delivered across member firms.

Our investments in innovation and digitalisation did not go unnoticed: In 2017/18, Deloitte Denmark was awarded Tax Firm of the Year 2018 and National Transfer Pricing Firm of the Year at the 2018 ITR European Tax Awards. We appreciate the recognition, which indicates that the market views us as a leading tax and legal advisor.

In the past year, we have also welcomed many new people. We acknowledge that talent attraction and retention is key to our continued success. Attracting talents with the right combination of technical, legal and management skills can be particularly challenging, which is why we now take a different approach to talent attraction. We offer students opportunities to put their knowledge into practical use by writing their thesis with us while working on tax and legal projects at Deloitte. In addition to a salary, they also gain access to information and guidance, and will hopefully proceed with their career in Deloitte upon graduation, if the match is right.

Tax & Legal



Gender distribution

Average age

Revenue

Financial Advisory

New Nordic forensics and financial crime business

Financial Advisory delivered a strong performance in 2017/18 with an 11% revenue increase. The increase is based on high market demand, especially in the financial markets, and despite costs related to new investments, including a new business offering and more people.

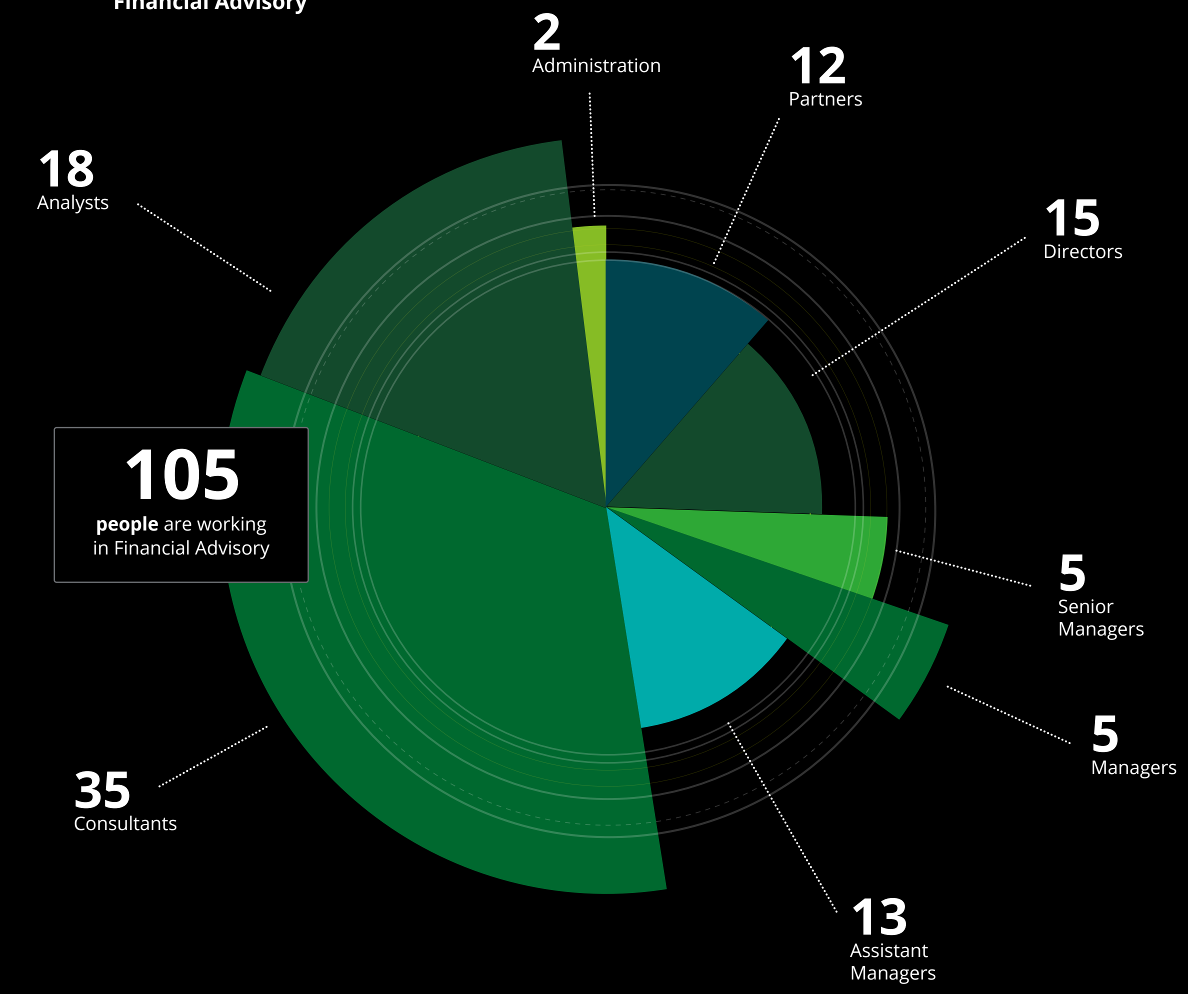
In 2017/18, we consolidated the forensic and financial crime activities in Financial Advisory on a Nordic level. Historically, these activities have been divided across different business units in the Nordics. By unifying them in Financial Advisory, we get to strengthen our offerings, and thus put ourselves in a better position to become the undisputed market leader. We expect the market for forensic services to grow significantly in the years to come due to strict regulatory compliance, more sophisticated cyber crime activities, and rising security concerns. Focus will be on the financial services industry in particular, including banks, fintech businesses and insurance companies.

Concentrating forensic and financial crime in Financial Advisory was an obvious choice as the skillsets needed to manage these tasks have always been present in Financial Advisory, such as our ability to work with advanced analytics and due diligence. However, we will continuously develop our people and recruit more talents with strong statistical, numerical and technical competencies going forward.

Our people are our strongest asset, and talent management is a top priority in Financial Advisory. Therefore, we have onboarded three new high profile partners to drive the business forward with particular focus on Mergers and Acquisitions, the new financial crime unit and financial advisory in general.

We are also committed to establishing an inclusive, flexible and global culture in which our people feel connected, committed and engaged. Our flat organisation structure with small teams makes it possible for leaders to take an individual approach to performance consulting and give regular feedback. We will soon implement a leading performance approach and take further action to make Financial Advisory more attractive for females as we tap into the diversity programmes initiated in Deloitte.

Financial Advisory



Gender distribution

Average age

Revenue

Risk Advisory

Increasing demand for IT security drives growth

International cyber attacks, new technology advancements and a more complex regulatory environment are all factors contributing to our increased market footprint. These areas have opened up new market opportunities for Risk Advisory, and the demand and usage of tech-driven and innovative solutions have helped bring down costs, thereby contributing to the significant growth in 2017/18.

With a 40% growth in Cyber and an overall growth of 7% in Risk Advisory, we can look back at a positive and busy year. Hardly a day goes by without a cyber-related incident hitting the headlines, which is a good indicator of the extent of the current market demand for cyber security. Cyber represents huge potential going forward, which is why we have scaled up significantly. Four years ago, twelve people ran our Cyber division, and today more than 100 people work on solutions to fight the Cyber threat faced by Danish organisations. Heavy investments in Cyber prove our commitment to be the undisputed leader within cyber services in Denmark.

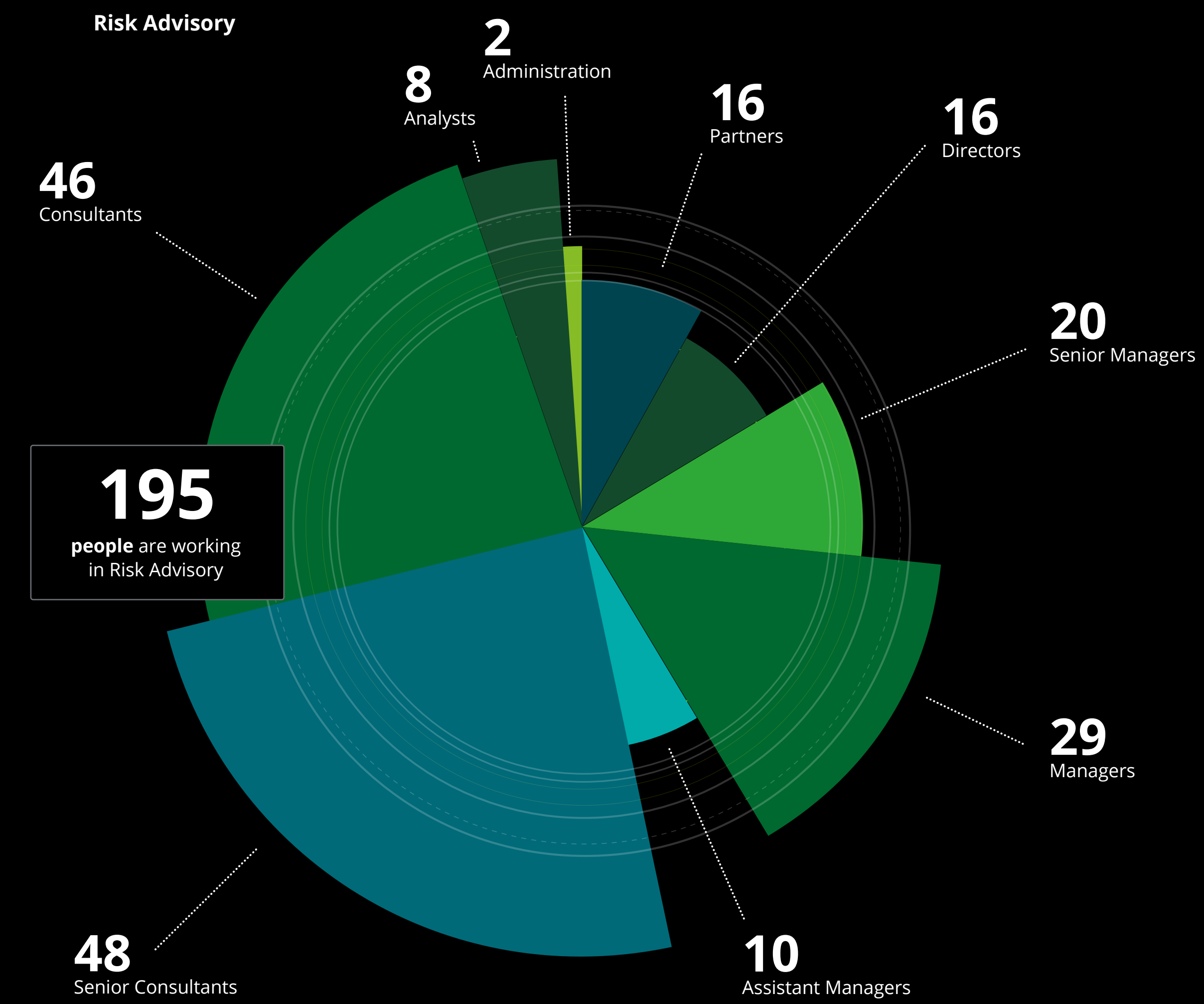
However, the growth in Risk Advisory is also driven by the GDPR regulation effective from 25 May 2018, as well as the digital transformation agenda and crisis management and brand protection.

In response to current market trends, Risk Advisory has, among many other solutions, launched DPO (Data Protection Officer) services, where we assist clients in matters concerning GDPR, data and privacy protection. Within the financial services industry, we are ramping up with more RegTech and FinTech solutions, as we expect the demand for such solutions to increase in the near future.

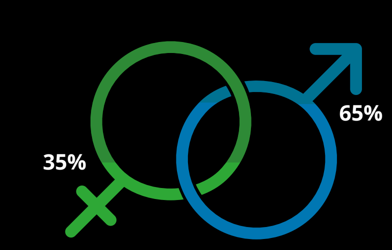
Finally, crisis management and brand protection is a strategic focus area that is picking up fast. Clients know that strengthening resilience is more important than ever, as digital platforms allow an issue to spread like wildfire throughout the world and jeopardise the reputation and financial stability. To meet the increasing demand for brand and reputation management services, we have brought in a new partner as of 1 June to lead this strategic risk area.

In FY19, we will continue to introduce new services that will help companies gain traction in the global arena and help them take advantage of our reputation as one of the most digitalised countries in the world. This is making an impact that matters.

Annual Report 2017/18 | **Risk Advisory**

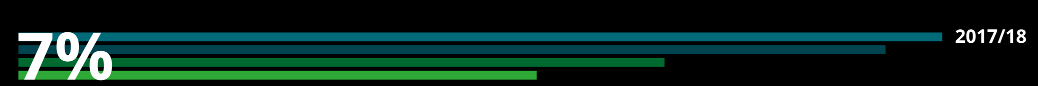


Gender distribution



Average age

Revenue



Client impact: FLSmidth

On top of tax compliance anywhere in the world

With 12,000 employees and offices in more than 50 countries around the globe, risk is an inherent part of doing business in FLSmidth. Global tax compliance is a risk area that has become far more complex as authorities around the world are changing filing practices and requiring real-time tax data information to accelerate payments. Given these global trends towards a more analytical and digital approach to tax information, FLSmidth decided to team up with Deloitte.

We have established an engagement management office in Denmark to provide FLSmidth with a single point of contact for everything related to global tax management, including statutory accounting and corporate tax provision for the annual reports. From our office in Denmark, we facilitate and engage Deloitte tax experts around the world, ensuring that FLSmidth is always abreast of new legislation and development locally. This approach makes us available to FLSmidth at all hours no matter where.

About FLSmidth
FLSmidth is a leading global supplier of equipment and services to the cement and minerals industries. They supply everything from single machinery to complete cement plants and minerals processing facilities. FLSmidth operates across more than 50 countries and employs 12,000 people around the world.

"I am very excited about the tax compliance journey FLSmidth and Deloitte have embarked on, and I am expecting great benefit for FLSmidth from it. The transparency we gain will enable us always to be on top of all our compliance obligations in a timely manner around the world and to optimise our internal processes. I trust that we will achieve much better quality in our tax returns and save costs at the same time."

Mette Mellemgaard Jakobsen,
Vice President, Head of Group Tax & Structure

Photo: FLSmidth

People impact

Big leaps towards a more diverse and inclusive workplace

We exist to make an impact on clients, society and employees. However, critical to our success is our ability to nourish and foster diversity and an inclusive work culture where everyone can bring their unique contribution into play.

More than 230 partners and 2,500 people make a huge impact for our clients every day, while developing the market and each other, challenging the status quo. Deloitte moved up the ladder to become the 3rd best place to work in Denmark among business students in Universum's ranking. Critical to our success is our ability to nourish and foster diversity and an inclusive work culture where everyone can bring their unique contribution into play.

Less talk, more action

In 2017, we introduced a new and improved national Gender Diversity & Inclusion plan. Our goal of having more women in the partnership is ambitious, but we believe that we will make substantial progress with our gender diversity and inclusion initiatives.

Today, women only represent 9.5% of the partnership, which is a modest increase of 1% from the previous year. However, we are happy to announce that in 2017/18 we managed to reach our S2020 goal of a 25% female share of equity partners elected board members, as Sharon Thorne from Deloitte UK has entered the Board.

In order to increase the proportion of women in leadership at a faster pace, the Executive Management team identified four areas of improvement:

We need to:

- Attract a proportionally equal share of female talent
- Be an employer of happy working parents
- Have more women in senior leadership (partners)
- Be more inclusive leaders and foster an inclusive culture.

What would it take to make Deloitte the best diversity employer?
"Deloitte could become better at exploring the unique and personal skills of our employees and make them a part of the solutions we bring to our clients. Diversity is not just about gender, race and sex – it's about being unique and bringing something unique to the table."

Kristina Wiese Tranberg
Operational Risk

Status on women in leadership

	2015	2016	2017	2018
Partner elected board member	0%	0%	0%	25%
Management team	10%	10%	10%	20%
Partner	9%	8.6%	8.4%	9.5%
Other leadership (senior manager – director)	23.8%	29.1%	32.8%	30.8%

To address these four focus areas, we introduced ten new initiatives, of which the first three were rolled out in 2017/18.

Initiative #1: **Positioning Deloitte towards female talent with “1-2-3 Attract”**
Today, we recruit 40% of women at graduate level, but we aim to make it 50%. To succeed, we have changed our social media strategy and increased female engagement on all social platforms. In addition, we have launched two annual female-only events that offer talented female university students a strong network, a set of tools, and insights that will kick-start their career within or outside Deloitte. The Universum Student Survey shows that female business students found Deloitte more attractive in 2018 compared to 2017, indicating that “1-2-3 Attract” has had a positive effect already.

What are your experiences with the new diversity initiatives?
"I have been involved in the Female Academy, and I think that projects supporting work/life flexibility and young families are relevant and valued by everyone. Deloitte’s LGBT+ community also does a great job in broadening the diversity agenda. I believe that these initiatives contribute to a more respectful, fair and caring culture that will benefit all of us - including Deloitte as a business."

Klara Shelton
Consultant, Strategy & Operations

Initiative #2: **Work Agility – creating a flexible work culture**
With Work Agility, we create more transparency around the options relating to where, when and how much employees would like to work. This initiative gives everyone the option of buying 10 extra holidays and taking up to 12 weeks of leave. Also, we have enhanced transparency around part-time options and entered deals on discounted home services. To be certain that leaders and employees discuss preferences for flexibility, we have added this new element to our career development process.

What are your thoughts on diversity in Deloitte?
"I believe we have taken major steps to make diversity and inclusion shared values across our culture. No one in Deloitte can be in doubt that diversity is a key priority anymore."

Anders Harritz Lund
Manager, Consulting

Initiative #3: **Making working parents happy parents**
Too many of our people struggle to balance work and life with children, and consequently choose to leave Deloitte. With the Happy Parents initiative, we have introduced a Parents Transition Programme, where women and men have increased leadership attention and dialogue before, during and after leave. Furthermore, they are offered coaching during leave and group coaching sessions once they return to work. In addition, leaders will complete training in how to best support employees during this time of their career, and we have bumped up our benefits with a 2nd and 3rd child’s sick day.

The latter two initiatives were rolled out in late 2017/18 and results are, therefore, premature. However, Deloitte’s engagement survey clearly indicates that employees generally think of Deloitte as a fair, inclusive and diverse workplace (89% of respondents agree). In FY19, we will proceed with the work initiated in 2017/18, while introducing more new initiatives relating to diversity and inclusion.

Universum*
3rd

Employees
2,717

Promotions

Partners
19

Directors
44

Senior Managers
69

Managers
75

"We firmly believe that our clients, our business and our ability to attract talented people will benefit, if we create a workplace where all employees are able to combine an exciting job with a flexible work-life. We also believe that we can deliver a better client experience when our teams are diverse. With diverse perspectives, we can create better solutions and act more innovatively and creatively."

Camilla Kruse
Partner, Consulting

Attractive workplace

Deloitte is one of the most attractive employers among business students and is gaining traction among IT students.

According to the Universum Student Survey, Deloitte was ranked the 3rd best place to work among Danish business students. The result confirms that our investments in talent attraction and retention have paid off.

We operate in an increasingly competitive employment landscape, where tech people with a strong business sense are in particularly high demand. Therefore, we are happy to see that we have moved five positions up from 19th place in 2017 to 14th place in 2018 among IT students. This puts Deloitte ahead of the other Big Four in the rankings for both IT and business students.

The Universum Student Survey shows that female business students also found Deloitte more attractive in 2018 compared to 2017, indicating that "1-2-3 Attract" has had a positive effect already.

Business students

Employer	Rank 2018	Rank 2017
Lego	1	1
McKinsey & Company	2	4
Deloitte	**3**	**5**
A.P. Moller-Maersk	4	2
Novo Nordisk	5	3

IT students

Employer	Rank 2018	Rank 2017
Google	1	1
Microsoft	2	2
Lego	3	3
...		
Deloitte	**14**	**19**

The future belongs to everyone

We have an ambitious commitment to improve gender diversity in Deloitte. Female Academy is one initiative.

At Deloitte, we believe that our differences are the source of our strength. We are thus deeply committed to help women break the glass ceiling and empower them to put their talent into play and reach their full potential. We have initiated Female Academy – a programme for talented female students – in order to establish a space where women can unleash their talent and creativity while finding support and inspiration in other women.

For the curious minds
For this academy, we handpicked 25 bright female university students based on their resumes, creativity and their dedication to making a difference and staying curious. The programme runs over a course of six sessions, featuring academic workshops, inspiring talks, debates, challenging events, personal stories and insights from Deloitte.

We have an ambitious commitment to improve gender diversity in Deloitte, and we are determined to succeed. Female Academy is one out of a wide range of initiatives introduced in this fiscal year to support this agenda, with more to come next year.

"It is rewarding to be a part of a network of likeminded women, who can inspire and challenge me as a person, while having fun. It has definitely sparkled my interest in management consulting and given me a unique insight into Deloitte."
Simone Stieglitz, Participant in Deloitte Female Academy

Social impact

Impact on the surrounding society

Deloitte's purpose is to make an impact that matters to our clients, our people and the societies we live in. While running a profitable business is key to investing in the future, our purpose goes way beyond profits, and motivates us to go to work every day.

Being one of the biggest professional services firms in the world, Deloitte has a significant direct and indirect impact on the surrounding society. A position, we believe comes with responsibilities. We are determined to make an impact that goes beyond our legal obligations – not only because it is the right thing to do, but also because it makes good business sense. Our approach to creating such impact is assembled in our Social Impact Strategy – our commitment to running a responsible business, to be a responsible employer and a responsible citizen.

Deloitte supports the UN's Sustainable Development Goals (SDGs) – a global framework for collective action to protect our future, which aims to end poverty, protect the planet and ensure universal prosperity. Although Deloitte contributes to many of the 17 goals, the goals we have the most impact on are Goal 4: Quality Education and Goal 8: Decent work and economic growth. By supporting the SDG goals 4 and 8, we take action on a major global issue of importance to us – helping millions of people being left behind in the Fourth Industrial Revolution to develop the skills needed to do meaningful work.

As a company and workplace, our focus on inclusion and diversity also means that we also have an impact on Goals 5: Gender Equality and 10: Reduced inequalities as well as Goal 3: Good health and well-being, which is essential to creating the workplace of the future, where we all thrive.

"We exist because businesses and governments respect us, capital markets trust us, people want to work with us, and society benefits from the value we add."

Punit Renjen, Global CEO

Responsible business

Our ambition to run a responsible business is centred around our Code of Conduct and ethics policies. We want to be regarded as a professional, trustworthy and objective business with integrity. This means we must hold each other accountable, act with integrity, quality, objectivity and competence, ensure respect and fair treatment and set standards for professional practice and behaviour. We ensure this through our risk control systems, covering anti-corruption, anti-bribery, data security and ethics as well as our whistleblower solution, making it safe to report any unethical behaviour. As an example of this, in 2017 we updated and reinforced our risk control systems and ran an awareness campaign on ISO27001. This resulted in us being ISO27001 certified and ensuring a high level of ethical behaviour.

Running a responsible business also means that we protect personal information and data, ensure confidentiality and deliver value-creating services for our clients. We also have an obligation towards the market we operate in by staying ahead of trends, such as cyber security, GDPR and responsible tax. On the cyber agenda, we have launched insight reports, new solutions and helped our clients stay alert to cyber attacks. We have held Grab 'n Go sessions on Cyber, GDPR and Compliance, as well as provided guidelines on responsible tax.

In 2015, more than 190 world leaders committed to 17 Sustainable Development Goals (SDGs) to help us all end extreme poverty, fight inequality & injustice, and fix climate change. We each have a role to play if we're going to achieve these goals of a more prosperous, equitable, and sustainable world.

Responsible employer

We want to create a workplace where people thrive, grow and feel part of an inclusive culture. This means placing great focus on diversity and inclusion, including closing the gender gap and getting more female talent in leadership positions, supporting working parents and families as well as creating more flexible working arrangements. Our leading performance and development was introduced in 2017 and carried out in 2017 and 2018 and imply that we take a strength-based approach to career development, offer everyone a dedicated career coach, ensure frequent, real-time feedback and invest in building a strong people leadership culture. This also means that our primary focus with regard to protection of human rights is the working conditions of our employees.

Responsible corporate citizen

Social impact is essential to Deloitte's DNA. It is part of our purpose to create an impact that matters. We must be guided by this behaviour every day we go to work.

Our responsibility as corporate citizens is embraced in our global commitment to create an impact on 50 million futures by 2030. This is why we have created WorldClass – an organisation-wide initiative that aligns Deloitte's local efforts around a global ambition. Through WorldClass, we are applying our core skills, experience, and global reach to empower more people through education, skills development and access to opportunities.

In Denmark, we have unfolded WorldClass into two main initiatives – UNLEASH and Small Great Nation.

›

UNLEASH-ing an impact that matters

1,000 global talents came together in Copenhagen for the world's biggest innovation workshop to co-create on solutions for the SDGs.

After a week of an intensive innovation workshop, the 1000 talents from across the world celebrated their solutions and the award winners at the award show in Aarhus.

In August 2017, 1,000 talented people from 129 countries gathered in Denmark to solve some of the most complex challenges we face as a global community. Known as UNLEASH, the initiative brings together some of the brightest and most innovative young minds from across the world, with the aim of finding solutions for the United Nation's Sustainable Development goals (SDGs).

Leading the world's biggest innovation workshop

We were the lead innovation partner for UNLEASH, responsible for the design and delivery of a four-day SDG innovation lab spanning seven 'tracks' targeting each of the SDGs, including education, health and sustainable consumption. Forty-five of our people across Deloitte North West Europe took the participants on each track through the innovation phases of problem framing, ideation, prototyping and testing before each team pitched their solutions to investors.

Through this, we helped them create nearly 200 innovative solutions, including a digital platform to support deaf people in developing countries to learn sign language; low-cost health centres in the most remote and vulnerable communities in Uganda to provide high quality healthcare to rural citizens; and a virtual reality program to improve empathy towards migrants in western countries. These proposals are now seeking support from investors, experts, mentors, and more than 200 UNLEASH partner organisations globally.

Our support to UNLEASH embodies our WorldClass initiative, which aims to use our skills, experience and global reach to empower 50 million people through education, skills development and access to employment opportunities.

Annual Report 2017/18 | **Social impact**

"I have a high sense of responsibility and I am eager to be part of changing the world... UNLEASH gives me the chance to contribute to the common path towards a better and more sustainable future."

Camilla Hellemann Sørensen, Consultant, Deloitte

Committed to making an impact every year until 2030

UNLEASH will be a recurring event every year until 2030. During the summer of 2018, 1,000 young people came together in Singapore to - once again - facilitate the SDG innovation workshop. The best solutions are awarded and given funding or professional services to help make it a reality.

A solution that won an award and received backing is 'Dearly'. The initiative enables people to use artificial intelligence to self-monitor and detect colorectal cancer. After UNLEASH, 'Dearly' has launched a partnership with a large Danish hospital with the ultimate goal of empowering doctors with new data insights.

Small Great Nation

Small Great Nation is a joint initiative by Deloitte and think tank Kraka to enable a fact-based discussion about Denmark's future and strongholds. The initiative aims to counteract fake news and misinformation by providing factual analyses of Denmark's challenges and opportunities. By facilitating a dialogue across businesses, the public sector, organisations and enthusiasts, we have engaged people to discuss and co-create on better solutions for bringing Denmark forward.

Small Great Nation was launched at a big conference in Tivoli Congress Center with a report on productivity, globalisation, innovation and Danish strongholds. We also asked 100 leaders about their perspective on our future, and the message is clear and coherent: The outlook for Denmark is positive in terms of a strong foundation to build on, high productivity levels and growing demand for what we are good at – pharma, cleantech and shipping. However, our biggest challenge as a nation is education and skills to meet those demands. We must place a stronger focus on skills development, education and lifelong learning – and we need to co-create in new ways to make this happen.

One year in, Small Great Nation has engaged politicians, business leaders and entrepreneurs in the discussion – both nationally and at local roadshows. Videos, reports, press activities and events across the country and a new podcast series are among the channels we have used for disseminating new facts and promoting the discussion. The project continues for two years with new analyses, events and podcasts in the pipeline.

As a global player, we must take a responsibility in the world we live in. Small Great Nation is a great example hereof. It encompasses our strategic position and goal and stands as a flagship initiative, which our clients, talents and other stakeholders are happy to take part in.

For more information: www.sgnation.dk

Former Minister of Commerce, Brian Mikkelsen, talked about the importance of technology and IT skills in education as a key successfactor for taking Denmark into the future.

Flemming Besenbacher, chairman of Carlsberg and Carlsberg Foundation, wants more focus on STEM competences in Danish schools and calls for more elite education.

Industries in digital transformation

Our purpose is to make our clients successful, and we do this by offering them the best of Deloitte and combining our deep expertise and innovations in business areas with our strong industry knowledge. Our ambition is to help our clients transform their business and the industry they operate in. This means we have a focused industry and client strategy, which transcends borders, meaning that apart from local experts, we have a worldwide network of 264,000 experts to draw on. In this way, we can serve our clients anywhere in the world.

Our strong collaboration with Nordics and North West Europe involves strategic client and industry programmes, which enable us to harness specialist industry knowledge and better serve our clients in the industry they represent. Our go-to-market strategy also involves a strategic focus on what we define as Deloitte Private - our global and dedicated approach to SMEs, private companies, private equity and family businesses.

One of the megatrends affecting all industries is technology. This is reflected in our industry focus, which relates to six key areas.

Public Sector

Denmark has a mature and developed welfare state that continues to be at the forefront of using digitalisation to boost a more efficient public sector. Rapid ongoing digital developments are already changing the way in which we live, the way we run our businesses and the way our public service and welfare services are delivered.

As a result, our work with the public sector has largely been characterised by digital transformation. Throughout the past year, we have implemented new technologies in public sector institutions and moved legacy IT systems to the cloud to ensure efficiency benefits. Automation and artificial intelligence is taken to the next level to optimise case management in public authorities. We have tested and validated blockchain solutions in a number of institutions to enhance public transparency. We have also helped public sector institutions to reshape their approach to data privacy by becoming GDPR compliant.

For a more citizen-centred and cohesive public sector, the government introduced the Reform for Cohesion. In addition, the government initiated their second relocation of 4,000 public sector jobs away from the capital region to ensure a better geographical distribution. Within both initiatives, we continue to be the preferred advisor within government transformation with a mission to shape and develop the future welfare state.

Financial Services

The financial sector is in an important transitional phase where digital solutions set new standards for client interaction. Fintech, automation, robotics and machine learning are central drivers, causing banks, insurance companies, pension and investment management to rethink existing business models. Customers expect to be served in a more personalised way – an innovative approach and new solutions will help drive that transformation.

The industry is experiencing an increased focus on regulatory compliance, where audit practice standards, Basel and GDPR among others, have changed the way the financial industry works with customer service and data management. In connection with the implementation of GDPR in May 2018, we have helped our clients conduct maturity assessments, identifying areas of improvements to ensure compliance. We have helped our clients identity opportunities for increased effectiveness and business value that GDPR also presents. Cyber threats are yet another area where our clients must incorporate extra layers of security to protect them from hacks. With an environment in rapid and constant change, we see our clients demanding a more agile approach – a transition that enhances our focus on meeting our clients with innovation and new solutions to assist them in new ways of thinking and doing business.

Energy & Resources

Cleantech and energy is one of Denmark's strongholds undergoing a fast transformation. Consumers, politicians and investors demand sustainable energy solutions, and the main players in this field are drivers of that change. More liberal markets and tough legislation increase competition, and the energy companies must place strong focus on innovation and efficiencies to stay competitive. This development will only increase in the future with electric-powered cars, buses and trucks, solar panels and new heating systems. We will also see a shift from a tradition of long-term planning and large, infrastructure investments towards investments in more digital solutions. With more than 8,000 Deloitte professionals within the Energy & Ressources industry worldwide, we support our clients in this journey › of transformation with everything from identifying and overcoming innovation barriers to M&A support and implementation of new digital solutions.

Life Sciences & Health Care

Life Sciences & Health Care is one of Denmark's stronghold industries according to Kraka's analysis on positions of strength. And it is an industry with a huge growth potential as well. The LSHC industry is indeed a fast-growing industry driven by a larger group of elderly people with an increasing need for health services and more chronic and infectious diseases. Patients expect full-service and connected health solutions that can provide access to personal health data on-demand and from digital platforms, as well as accelerate treatment. Easier access to patient data and a more holistic patient view are central to providing better healthcare offerings in the future. Throughout last year, we have helped clients implement robotics solutions and other digital technologies, enabling them to cut costs and help accelerate the development of new healthcare services.

At the same time, the industry faces data protection and regulatory compliance demands, along with a market affected by pressure to reduce costs, improve workflows and work conditions. Hence, the industry is undergoing a significant transformation in business models and efficient processes as well as better patient care.

Consumer & Industrial Products

Today's consumer expects digital and on-demand solutions as well as extraordinary service. The mobile device is one of the primary tools for consumption, and the industry needs to meet that demand. More digital and customer-centric solutions, customer journey and increased focus on customer experiences and loyalty are key. The companies selling to consumers must be best-in-class to meet those demands. At Deloitte, we have launched a connected store concept, where retailers can be inspired by the digital solutions ideal for their business.

Industry 4.0 is the megatrend affecting industrial companies today and going forward. A recent Deloitte survey shows that while 83% of global leaders believe in the economic and social benefits of Industry 4.0, only 25% feel ready, and only 8% have a business plan in place to meet the new demands. Value creation lies in how well you can transform your own business model while helping your customer through the digital transformation, building new digital business models and using technology to advance production and value-chain. Data management, automation and Internet of Things are among the key trends in this industry, and talents with new skills and education will be essential to succeed.

Technology, Media and Telecommunication

This year's mobile consumer survey shows that the Danes are the most frequent users of mobile payment. Indeed, Denmark is a mobile savvy country with a comprehensive mobile infrastructure and a great level of trust towards digital solutions. This provides an opportunity that media companies have explored by providing media and data solutions at your fingertips. The trend of digitalisation is greatly affecting the media and telecommunication industry, and artificial intelligence and machine learning are technologies that can help explore this potential by learning patterns and predicting what the consumer wants next. The rapid development in this industry also means that the cyber threat is increasing, and IT security must be prioritised through common rules and regulations as well as being built into the solutions from the beginning.

Deloitte Private

Apart from a strong industry focus, Deloitte Private is a top priority for us in Denmark and globally. Private represents the segment where the vast majority of our clients are. We categorise Private as small and medium-sized companies, private companies, family businesses and private equity.

Companies in the small and medium-sized market account for more than 95% of Danish businesses. And many private companies in Denmark are looking to transform and grow. With our strong culture of innovation and entrepreneurship, many of these companies have the potential to grow big – also at an international scale. At Deloitte, we have a strong focus on helping SMEs with business transformation, digitalisation and, not least, expansion into global markets.

The segment of privately owned mid-market companies is also a top priority. Deloitte's five professional business units work together to deliver global solutions to help companies keep the growth focus and develop.

Denmark also has a strong heritage of family businesses. We have developed capabilities and experience in identifying the core values of the families. We work with families to help them articulate their goals and anchor them within the family structure and organisation. And we work with families to co-create well-designed and properly implemented family enterprise governance structures that give clear guidance to family members and thereby create easier transitions between generations.

Deloitte Private Equity has a dedicated focus on private equity managers, investment funds and private equity-backed companies. We have gathered the strongest skills within transaction services, development of financial functions and the CFO role, tax and audit in one collaborating team. In addition, we work with substantial industry knowledge.

Client Satisfaction Assessment*

Loyalty	Collaboration
8.9	9.0

Efficiency	People
8.7	8.9

Overall satisfaction

8.8

* The scores are based on 400 ratings, including qualitative interviews and e-surveys conducted from February to June 2018.

Client impact: TripleNine

Aligning goals and strategy to get international success

At Danish fish meal company TripleNine, the key to success for Danish SMEs is to aim high and focus on organisational readiness - including the courage to change competences and roles.

When Danish TripleNine in 2013 merged with the Norwegian Koppernæs Group to form TripleNine Group A/S, the largest fish meal and fish oil company in Scandinavia, the synergies did not come as fast as expected. The organisation was challenged by a misalignment between the new company's growth strategy and organisational goals.

According to Jes Bjerregaard, CEO at TripleNine Group, the initial problem was that the strategy was mostly written on a piece of paper instead of being committed by all stakeholders and, therefore, not really executed.

"The hard part is to go from formulating goals to executing the strategy. This requires serious commitment from owners, Board of Directors and Management to commit and engage employees. It is important that leaders are aligned and in agreement of what direction your company should go", says Jes Bjerregaard.

While Danish SMEs are good at defining ambitious and clear growth goals, they lag behind when it comes to carrying out the strategy needed to fulfil those goals according to a recent survey from Deloitte. From Jes Bjerregaard's perspective, this should not be an excuse to aim high.

Something could indicate that Jes Bjerregaard and the TripleNine Group have followed this formula. Since he started in 2016, TripleNine Group has undergone a transformational journey and aligned organisational goals with growth strategy and international ambitions.

Today, the Company has a strong platform with a profitable revenue of DKK 1.8 billion and a solid balance sheet to realise the ambitious goals in the years to come.

TripleNine

The TripleNine Group comprises a number of production, trading and sales companies in Denmark, Norway and Chile. The companies are engaged in the development, production, marketing and sales of fish meal and fish oil as animal feed ingredient for aquaculture, agriculture and pet food. Approximately 250 employees from a wide range of nationalities are employed in TripleNine Group A/S.

"Everybody can write down a growth strategy and deliver a good excuse for why you are not fulfilling it. The same rules apply to all, and some companies make it big, so I believe organisational readiness is where you need to focus. This requires the courage to change roles and adjust the general operation."

Jes Bjerregaard, CEO TripleNine Group

Photo: TripleNine

Annual Report 2017/18 | **Velux**

Client impact: Velux

Using data to strengthen business opportunities

To accelerate growth, the VELUX Group explores new ways of interacting with customers, including investing resources in gathering and exploiting data.

Staying relevant in a market leading position and creating growth requires bold ambitions, constant attention to customer needs and a culture of learning to enable change. The VELUX Group has transformed the business towards making data-driven decisions.

"Our future path to growth comes from our core business. Our focus in business development is to build on our existing legacy and trust in the market and keep bringing new and better experiences to our customers. One of the key levers for the VELUX Group is to increasingly use data to gain insights for better business decisions," says Group CFO Peter Bang.

The recently launched smart-home innovation exemplifies how the VELUX Group harnesses digital opportunities and data, and turn them into solutions that consumers can benefit from in their everyday life. VELUX ACTIVE with NETATMO is a smart window system that senses, thinks and acts on your behalf to create a healthier home environment. Smart sensors monitor temperature, humidity and CO2 concentration inside the home and activate a gateway to open or close roof windows to improve the indoor climate.

The VELUX Group's ambitions for gaining insight by wider use of data in all parts of the business have resulted in a close partnership with Deloitte within data and analytics. The Deloitte and VELUX collaboration is a partnership model, which focuses on development and support of advanced data models and insights across the organisation to ensure best-in-class support for decision-making.

VELUX is a Danish success story. For more than 75 years, the VELUX Group has provided everyone a view to the world through its high-quality roof windows. It is a story of a dedicated focus on creating better living environments by bringing more daylight and fresh air into millions of people's homes, and as a billion EUR business it is known to many across the globe.

"Our ambitions are to bring data even further into key decision streams in VELUX locally and globally. In this transformation, Deloitte has been an important business partner for VELUX providing capabilities in data and analytics."

Peter Bang, Group CFO

Photo: Velux

Social impact: UNDP

Small businesses, big goals

What role can small and medium-sized businesses play in making the world a better place?

With Deloitte's help, UNDP set up the SDG Accelerator. The programme accelerates solutions for the SDGs through the development of new business models, products and services. It is funded by The Danish Industry Foundation and is being tested in Denmark over the next two years with 30 Danish small and medium-sized industrial companies.

The benefits for businesses to get involved are two-fold. More and more companies are realising that the SDGs are important for their own innovation, growth and better competitive performance. After all, there could be valuable gains for those businesses that can develop commercial solutions to tackle some of the biggest challenges we face as a global population.

Bahare Haghshenas, Senior Manager in Monitor Deloitte, who is working on the project, explains: "With the SDG Accelerator, we see companies embracing more sustainable models. By applying their creativity and working with experts from the UN and innovation facilitators from Deloitte, small and medium-sized companies take the driver's seat in solving some of the persistent challenges we face in society and develop new business opportunities."

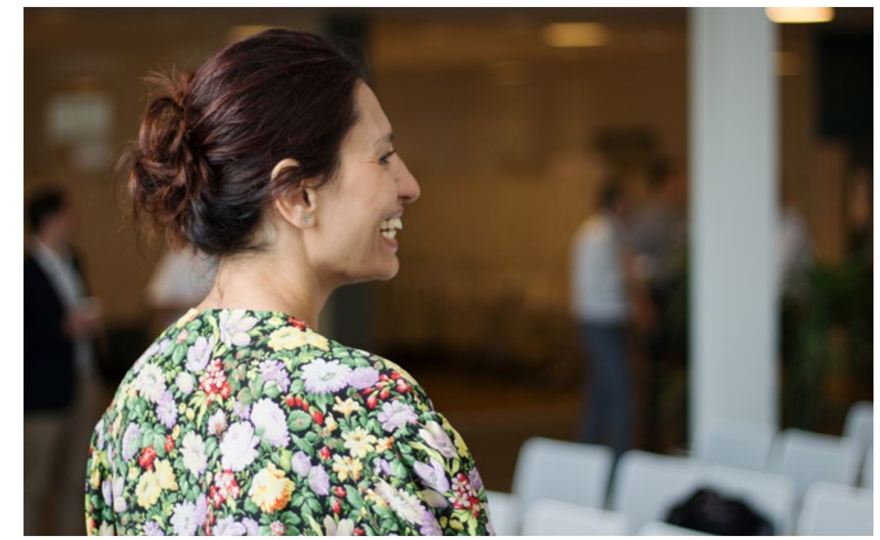
Cross-border problems and teams

By bringing together an international Deloitte Consulting team, we are supporting these small and medium-sized companies throughout the programme to develop their ideas. Applying our expertise, we use technology and tools over a six-month innovation process.

This includes a range of workshops, including the topics of problem framing, ideation, enrichment and finally integration, which is when they integrate, produce, distribute and sell the solution to users or customers. After we have helped the companies develop the business cases behind their ideas, we then showcase them for some of the country's leading potential investors and business angels.

"With the SDG Accelerator, we see companies embracing more sustainable models."

Bahare Haghshenas, Senior Manager in Monitor Deloitte

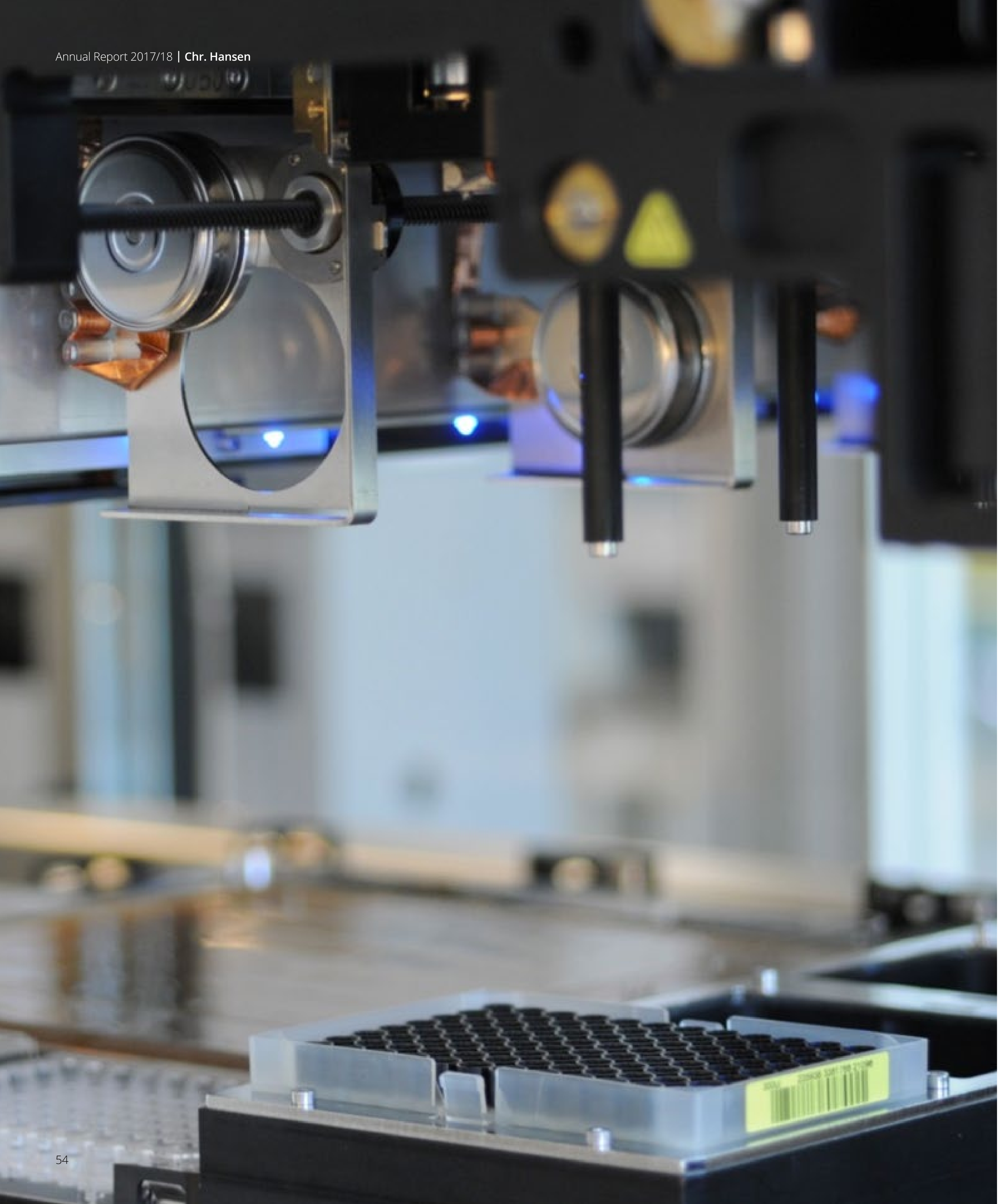


Bahare Haghshenas leads the SDG agenda at Deloitte and is one of the founders of the SDG Accelerator.

The Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet and help ensure equality of opportunity for people across the world. The United Nation's Development Programme (UNDP) is uniquely placed to help implement the SDGs. It works in some 170 countries and territories.

The group of SDG ambassadors commited to bringing the SDGs into Danish small and medium-sized companies.

Photos: UNDP



Client impact: Chr. Hansen

Chr. Hansen reduces food waste with artificial intelligence

The global bioscience company uses image recognition and machine learning to protect food from yeast and mould. The Company's progress indicates that the technologies are mature and could be the key to a broader business transformation.

While laboratory technicians today are inspecting petri dishes mixed with milk, mould spores and various bacteria to find the most effective bacterium, a new project aims to utilise machine learning and image recognition to do the same.

"Our algorithm can mimic the assessment made by laboratory technicians and provide an objective and instantaneous answer on how effective the bacterium is compared to other bacteria. The algorithm's ability to embrace such complexity holds considerable potential," says Project Director Morten Meldgaard from Chr. Hansen, who leads the Company's big data program.

The algorithm can make the test results more objective and consistent; it can act as a digital assistant to the laboratory technicians by helping them make an assessment; and it can automate parts of the assessment process and thereby help scale the business.

Mature technologies with business transformation potential

The technologies are becoming mature, and the potential of using artificial intelligence and other cognitive technologies for unstructured data is enormous. This type of data represents the majority of the knowledge that companies and organisations possess. However, it is essential that businesses conduct experiments with the technologies and explore the benefits that arise. Those who experiment get a glimpse of the potential and what is required to realise it.

CHR HANSEN

About Chr. Hansen

Chr. Hansen is a global bioscience company that develops natural solutions for the food, nutritional, pharmaceutical and agricultural industries. The Company develops and produces cultures, enzymes, probiotics and natural colours for a rich variety of foods, confectionary, beverages, dietary supplements and animal feed.

"The algorithm's ability to embrace such complexity holds considerable potential."

Morten Meldgaard, Project Director

After testing a given technology, it is crucial that companies manage to transform themselves in order to exploit the new digital opportunities. This requires a certain amount of courage and the ability to scale up the pilot projects to broader investment areas. In this way, individual technology projects can lead to a more strategic business transformation.

Photo: Chr. Hansen

Financial review

Main activity
Deloitte Statsautoriseret Revisionspartnerselskab carries out audit and advisory services in Denmark within the framework that follows from the Danish auditing legislation.

Statement of comprehensive income – another year of growth
We have consolidated our position this year as a strong professional audit and advisory company in Denmark with a growth rate of 11%. We have now realised the fourth consecutive year of growth between 9-11% annually.

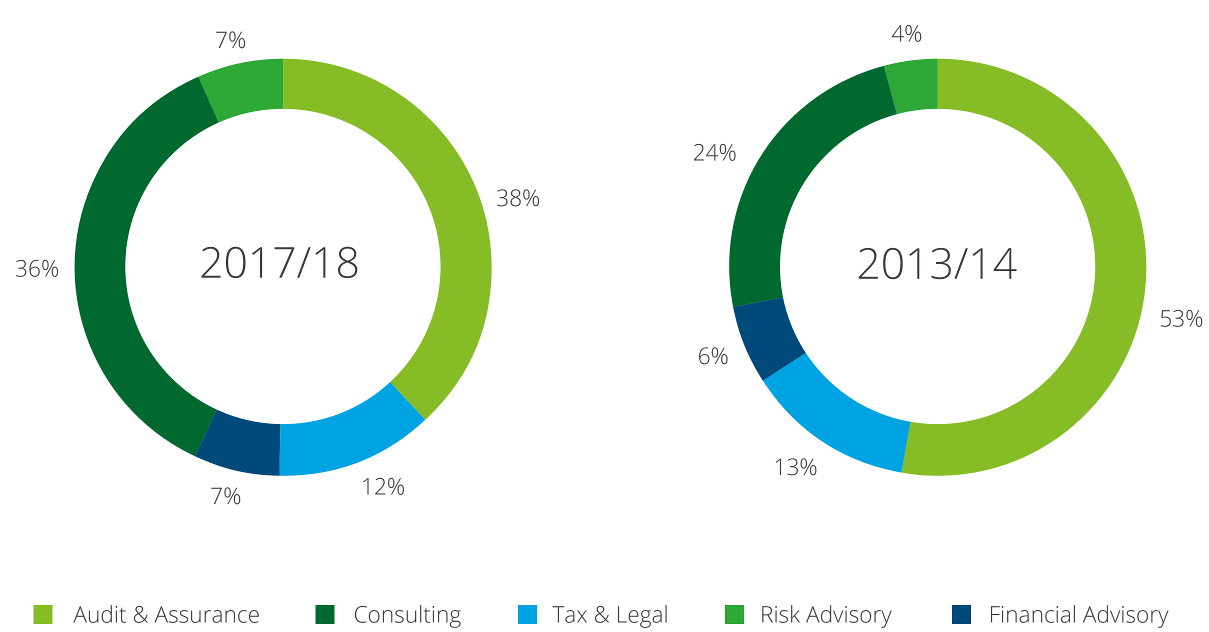
Revenue totals DKK 3,429m compared to DKK 3,091m in 2016/17, and is driven by positive market condition but also the result of significant investment in recent years in the market, quality and talent across the company. We have already seen the first positive results of the creation of North West Europe and the market focus and investments we have driven across the nine countries. A number of major global engagements have contributed to the growth as well.

Staff costs, including remuneration to the partners, total DKK 2,178m, which is at the same level as last year.

Of the total staff at 31 May 2018, 232 were partners (31 May 2017: 235).

Profit for the year amounted to DKK 87m, which is DKK 1m up on last year. In assessing the results, it must be taken into account that the shareholders are also partners of the company and that their remuneration is profit-related. The remuneration has been recognised in staff costs.

Revenue by business units



Audit & Assurance
As expected, 2017/18 revenue of Audit & Assurance is 4% below revenue in 2016/17, and the decrease can be attributed to the divestment of business entities - a consequence of a change in market and location strategy. Adjusted for divestment, revenue has increased. We have invested heavily in quality, talent, market,digitisation and automation to transform the business in order to meet the rapidly changing demands from regulators and market.

Risk Advisory
The market for cyber security and compliance continues to grow. The market demand supported by launch of new services has driven the 7% growth in Risk Advisory.

Financial Advisory
Financial Advisory shows growth of 11%, with revenue increasing by DKK 22m to DKK 223m. Thus, the Financial Advisory growth continues to be driven by high demand in the financial market. During the year, Financial Advisory has invested in new services.

Tax & Legal
Tax & Legal shows growth across all service lines and a combined growth of 6% in 2017/18. The growth is driven by focussed market activities and new major engagements. Great activity in the market and a number of macroeconomic events such as Brexit, escalating US trade tariffs as well as general unprecedented uncertainty and regulatory changes have driven the growth supported by our investments in digitisation and innovation.

Consulting
Consulting again posts a significant growth rate of 37% this year. This positive development is driven by increased demand for business transformation capabilities and digital solutions as well as a number of major global client engagements. In particular, the focus has been on digital transformations and automations for clients across all sectors.

Balance sheet
The balance sheet total is DKK 1,799m, of which equity amounts to DKK 547m, equalling a equity ratio of 30% (2016/17: 31%).

Distribution of DKK 60m in dividend is proposed compared to DKK 58m last year.

The balance sheet includes intangible assets of DKK 566m (31 May 2017: DKK 584m), which primarily consists of goodwill and intellectual property rights. Investments in intangible assets during the year totalled DKK 11m.

Funds tied up in work in progress and trade receivables amount to DKK 1,026m compared to DKK 852m in the previous year. The increase is due partly to the increased activity level, and partly to an increase in the debtor days ratio and work in progress. The increase in funds tied-up is the reason that interest-bearing debt has risen by DKK 120m to DKK 349m at financial year-end.

Cash flow statement
Cash generated by operations in 2017/18 are negative by DKK 15m (2016/17: negative by DKK 22m). The improved cash flow is mainly due to improved cash flow from operating activities before working capital changes.

Cash flows from investing activities are positive by DKK 11m (2016/17: negative by DKK 31m), which is significantly higher than last year, mainly due to the divestment of activities.

Financial review
Uncertainty relating to recognition and measurement
No special uncertainty has been identified relating to recognition and measurement. For significant accounting estimates and judgements, see Note 0.4 to the financial statements.

Events after the balance sheet date
Except for the acquisition and divestment of activities described in Note 4.1, no events have occurred from the balance sheet date and until the date of issue that would influence the evaluation of this Annual Report.

Outlook 2018/19
Performance and earnings for the coming year are expected to be on a par with this year. Taking into consideration the general development in the economy and the profession, next year is expected to see satisfactory growth for all business units.

Statement by Management on the annual report

The Board and the Executive Board have today considered and approved the Annual Report of Deloitte Statsautoriseret Revisionspartnerselskab for the financial year 1 June 2017 to 31 May 2018.

The Annual Report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of reporting class C (large) enterprises as governed by the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 May 2018 and of the results of its operations and cash flows for the financial year 1 June 2017 to 31 May 2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the Annual Report for adoption at the Annual General Meeting.

Copenhagen, 22 August 2018

Executive Board

Anders Vad Dons

Board

Erik Holst Jørgensen
Chairman

Gustav Jeppesen

Sharon Julia Thorne

Jesper Smedegaard

Mette Behrmann Lamp

Søren Lassen

Independent auditor's report

To the shareholders of Deloitte Statsautoriseret Revisionspartnerselskab

Opinion
We have audited the financial statements of Deloitte Statsautoriseret Revisionspartnerselskab for the financial year 1 June 2017 to 31 May 2018, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 May 2018 and of the results of its operations and cash flows for the financial year 1 June 2017 to 31 May 2018 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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 this auditor's report. We are independent of the Company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, 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 conclude that the management commentary is in accordance with the 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 commentary.

Management's responsibilities for the financial statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern and for 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.

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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 content of the financial statements, including the disclosures in the notes, 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, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 22 August 2018

Beierholm
Statsautoriseret Revisionspartnerselskab
Business Registration No 32895468

Philip Heick-Poulsen
MNE no 34280
State Authorised Public Accountant

Statement of comprehensive income for 2017/18

	2017/18 DKK'm	2016/17 DKK'm
Revenue (1.1)	3,428.8	3,090.9
Staff costs (1.2)	(2,177.5)	(2,156.5)
External expenses (1.3)	(1,139.1)	(828.7)
Depreciation and amortisation (1.4)	(35.0)	(34.8)
Operating profit before special items	**77.2**	**70.9**
Special items (1.5)	14.5	17.9
Operating profit	**91.7**	**88.8**
Financial income (3.6)	2.7	2.7
Financial expenses (3.7)	(7.1)	(5.7)
Profit for the year	**87.3**	**85.8**
Other comprehensive income for the year	**0.0**	**0.0**
Comprenhensive income for the year	**87.3**	**85.8**

Balance sheet at 31.05.2018

	2018 DKK'm	2017 DKK'm
Goodwill (2.1)	500.0	509.1
Intellectual property rights (2.2)	38.4	36.4
Completed development projects (2.2)	27.5	38.9
Intangible assets	**565.9**	**584.4**
Leasehold improvements (2.3)	10.3	10.4
Operating equipment and fixtures (2.3)	32.6	40.6
Property, plant and equipment	**42.9**	**51.0**
Financial assets (2.4)	**41.1**	**39.6**
Non-current assets	**649.9**	**675.0**
Trade receivables (2.5)	744.4	651.9
Receivables from associates (4.4)	43.1	49.4
Contract work in progress (2.6)	318.4	243.8
Other receivables	7.9	26.4
Prepayments	23.2	22.2
Receivables	**1,137.0**	**993.7**
Cash	**2.2**	**18.3**
Current assets	**1,139.2**	**1,012.0**
Assets classified as held for sale (2.1)	**9.6**	**2.0**
Assets	**1,798.7**	**1,689.0**

Balance sheet at 31.05.2018 (cont.)

	2018 DKK'm	2017 DKK'm
Share capital (3.1)	42.0	42.0
Retained earnings	505.4	475.8
Equity	**547.4**	**517.8**
Financial liabilities (3.4)	30.6	39.3
Employee liabilities (2.7)	9.4	10.2
Provisions (2.8)	6.1	6.5
Non-current liabilities	**46.1**	**56.0**
Financial liabilities (3.4)	300.8	240.4
Employee liabilities (2.7)	611.0	625.5
Contract work in progress (2.6)	37.2	43.4
Trade payables (3.4)	148.2	83.0
Other liabilities (3.3)	108.0	122.4
Current liabilities	**1,205.2**	**1,114.7**
Liabilities	**1,251.3**	**1,170.7**
Liabilities associated with assets classified as held for sale (2.8)	**0**	**0.5**
Equity and liabilities	**1,798.7**	**1,689.0**

Statement of changes in equity for 2017/18

	Share capital DKK'm	Retained earnings DKK'm	Total DKK'm
Equity 31.05.2016	**42.0**	**445.1**	**487.1**
Profit for the year	0.0	85.8	85.8
Comprenhensive income for the year	**0.0**	**85.8**	**85.8**
Dividend paid	0.0	(55.1)	(55.1)
Equity 31.05.2017	**42.0**	**475.8**	**517.8**
Profit for the year	0.0	87.3	87.3
Comprenhensive income for the year	**0.0**	**87.3**	**87.3**
Dividend paid	0.0	(57.7)	(57.7)
Equity 31.05.2018	**42.0**	**505.4**	**547.4**

Cash flow statement for 2017/18

	2017/18 DKK'm	2016/17 DKK'm
Operating profit	91.7	88.8
Adjustments to non-cash items:		
Depreciation and amortisation (1.4)	35.0	34.8
Profit on divestment of activities (1.5)	0.0	(17.4)
Increase/decrease in provisions	(0.2)	7.0
Cash generated by operations before working capital changes	**126.5**	**113.2**
Increase/decrease in current liabilities	34.9	(14.1)
Increase/decrease in trade receivables and contract work in progress	(165.5)	(114.1)
Increase/decrease in other receivables	(11.0)	(6.6)
Cash generated by operations	**(15.1)**	**(21.6)**
Interest income etc. received (3.6)	1.2	1.0
Interest expenses etc. paid (3.7)	(7.1)	(5.7)
Cash flows from operating activities	**(21.0)**	**(26.3)**
Purchase of intangible assets	(11.4)	(8.5)
Purchase of property, plant and equipment	(11.0)	(32.7)
Sale of property, plant and equipment	4.3	11.0
Purchase of financial assets	(3.3)	(1.1)
Sale of financial assets	1.8	0.0
Divestment of businesses (4.1)	30.4	0.0
Cash flows from investing activities	**10.8**	**(31.3)**
Increase/decrease in short-term financial liabilities (3.3)	(18.4)	6.5
Dividend paid	(57.7)	(55.1)
Cash flows from financing activities	**(76.1)**	**(48.6)**
Increase/decrease in cash and cash equivalents	**(86.3)**	**(106.2)**
Cash and cash equivalents at 01.06.2017	(162.2)	(56.0)
Cash and cash equivalents at 31.05.2018 (3.5)	**(248.5)**	**(162.2)**
Financial resources		
Cash and cash equivalents at 31.05.2018	(248.5)	(162.2)
Operating credit facilities granted	270.0	170.0
Financial resources at 31.05.2018	**21.5**	**7.8**

Credit vary with seasonal fluctuations in the business from DKK 150m to DKK 565m.

Summary of notes to the accounts

Notes, description of accounting policies and description of significant accounting estimates and judgements made in connection with the financial statements are divided into four sections describing the various parts of the financial statements, including the individual items. This breakdown means that accounting policies, significant accounting estimates and monetary specifications are presented together for the individual areas and items.

For reasons of clarity, descriptions are marked as follows:

§ Accounting policies

Significant accounting estimates and judgements

! Risk

0. Accounting policies in general

0.1 Framework
Deloitte Statsautoriseret Revisionspartnerselskab ("the Company") is a limited partnership company domiciled in Denmark.

The financial statements for 2017/18 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of for reporting class C (large) enterprises, see the Danish Executive Order on IFRS adoption issued in accordance with the Danish Financial Statements Act.

0.2 Changes in accounting policies
A number of new and amended Standards and Interpretations have come into force for financial years beginning on or after 1 June 2017. The adoption thereof has not had any effect on these accounting policies, which thus remain unchanged from last year.

0.3 Basis of accounting
The financial statements are presented in Danish kroner, which is the Company's functional currency.

The financial statements are presented using the historical cost convention, except where IFRS specifically requires the use of fair value, refer to the accounting policies described under the individual items.

0.4 Significant financial reporting estimates and judgements
When recognising and measuring items in the financial statements, it is necessary in certain circumstances to make estimates and judgements, and to make assumptions about future events. These estimates, judgements and assumptions are based on historical experience and other relevant factors which are considered prudent by Management in the circumstances, but which are inherently uncertain or unpredictable. Actual results may, therefore, vary from these estimates and judgements.

The estimates and judgements made and the underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates and judgements are recognised in the accounting period in which such changes occur and in future accounting periods if they affect those periods.

In preparing the financial statements, significant accounting estimates and judgements have been made for the following elements:
- Determination of the sales value of contract work in progress (Notes 1.1 and 2.6)
- Special items (Note 1.5)
- Review of goodwill for impairment (Note 2.1)

Annual Report 2017/18 | **Accounting policies in general**

0.5 Foreign currency translation
On initial recognition, foreign currency transactions are translated at the exchange rate on the transaction date. Receivables, payables and other monetary items denominated in foreign currency that have not been settled at the balance sheet date, are translated using the exchange rate on the balance sheet date. Exchange differences arising between the transaction date and the payment date and the balance sheet date, respectively, are recognised in the income statement as financial income or financial expenses.

0.6 Taxation
As a limited partnership company, the Company is not an independent taxpayer, as the liability to pay tax falls on the Company's shareholders. Therefore, no current tax or deferred tax is recognised in the financial statements.

0.7 Standards and interpretations not yet in force
At the time of presentation of the 2017/18 Annual Report, the IASB and the IFRS Interpretations Committee have issued a number of new Standards and Interpretations and related amendments, which will only enter into force for financial years that begin after 31 May 2018, among them, IFRS 9, IFRS 15 and IFRS 16. These Standards and Interpretations have, therefore, not been applied in the preparation of the financial statements for the current year.

IFRS 15 *Revenue from Contracts with Customers* and associated *Clarifications* will be used by the Company from and including the financial statements for 2018/19. The basic principle of IFRS 15 is that revenue must be recognised in a manner that reflects the transfer of goods or services to customers by an amount equal to the consideration that the Company expects to be entitled to receive for the delivery of those goods and services. The Company has largely completed an analysis of its current revenue flows in relation to the provisions of IFRS 15 and, based on the work done so far, estimates that the bulk of the Company's revenue qualifies for continued recognition over time and that the implementation of IFRS 15 will not have a significant impact on the Company's future financial statements. The Company will implement IFRS 15 using the modified retrospective method and will record the cumulative effect, if any, of initially applying the Standard to ongoing contractual arrangements at 1 June 2018 as an adjustment to retained earnings as of that date.

IFRS 9 *Financial Instruments* will be applied by the Company from and including the financial statements for 2018/19. IFRS 9 deals with the classification and measurement of financial assets and liabilities, and the Standard also includes amended provisions relating to hedge accounting and impairment of financial assets. The Company has analysed the effect of a transition from the current "incurred credit loss model" for recognising losses on receivables to the "expected credit loss model" required by IFRS 9. The total write-down using the simplified method of recognising impairment is expected to be marginally increased as a result of the fact that the write-down to expected losses – calculated using assessed loss rates for categories of receivables based on historical experience corrected for current market

0.7 Standards and Interpretations not yet in force (cont.)
conditions and expectations for the future – will be recognised already at the time of recognition of the receivables. Based on this analysis, the Company, therefore, believes that this change will not significantly affect its future financial statements. The Company has no financial liabilities whose measurement will be affected by IFRS 9, and it does not use hedge accounting.

IFRS 16 *Leases* will be applied by the Company from and including the financial statements for 2019/20. IFRS 16 deals with the accounting treatment of leases and involves for the lessee that all lease contracts (other than short-term lease contracts or those relating to low-value assets) must be recognised in the balance sheet as a right-of-use asset and a corresponding lease liability and that recognised right-of-use assets must be depreciated in the same way as other non-current assets. The accounting treatment of leasing in the lessor's financial statements is substantially unchanged compared to the current IAS 17.

The Company has started analysing the impact of the implementation of IFRS 16, but detailed and complete quantitative assessments of the impacts upon transition have not yet been finalised. The Company will implement IFRS 16 using the modified retrospective method and will on transition measure the right-of-use assets at an amount equal to the lease liabilities and thus will record no effect on retained earnings at 1 June 2019. As at 31 May 2018, the Company has non-cancellable operating lease obligations of DKK 600m (see Note 2.9). The Company has not yet determined to what extent these obligations will result in the recognition of an asset and a liability for future payments and how this will affect the Company's statement of comprehensive income and classification of cash flows.

Other new and amended Standards and Interpretations are not expected to have a significant impact on future financial statements.

0.8 Materiality in financial reporting
In connection with the preparation of the Annual Report, Management assesses how the Annual Report is to be presented. In this connection, much importance is attached to the content being relevant to the users.

Thus, when presenting the statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement of the financial statements, it is assessed whether a need exists to disaggregate financial statement items further or whether it is more appropriate to aggregate amounts etc. and thereby to enhance transparency. When preparing the accompanying notes to the financial statements, the focus is on the content being relevant to the users and on the notes being presented in a clear and informative manner. The assessment, which takes into account the requirements of Danish law, International Financial Reporting Standards and Interpretations, and with the overarching objective that the financial statements as a whole must give a true and fair view, has entailed that information deemed immaterial by Management has been omitted from the financial statements.

1. Operating profit or loss

1.1 Revenue
Accounting policies
Revenue from the sale of services is recognised in profit or loss as and when the service agreed is provided, whereby revenue equals the sales value of the work performed during the year (the percentage-of-completion method). Recognition at sales value is based on the assumption that the total revenue and expenses as well as the percentage-of-completion at the balance sheet date can be reliably determined and that it is probable that payment will be received.

Revenue from deliverables whose sales value is conditional on the outcome of future events, including success fees for transaction service advisory, is not recognised until the events in question occur.

Revenue comprises the re-invoicing of work performed by subcontractors in so far as the Company has control over and is responsible for the delivery to the client and carries the associated debtor risk.

Significant accounting estimates and judgements
Sales value of contract work in progress
Contract work in progress in the form of agreed incomplete service deliverables is recognised at the sales value of the work carried out at the balance sheet date based on time spent and Management's assessment of the fee value thereof.

At 31 May 2018, the amount of recognised contract work in progress at sales value totalled DKK 1,704.5m before offsetting of amounts invoiced on account (31 May 2017: DKK 1,347.3m).

1.1 Revenue (cont.)

	2017/18 DKK'm	2016/17 DKK'm

Revenue

Revenue arises from audit and advisory services and the bulk of it from services provided in Denmark.

Work completed for the year	3,071.6	3,105.9
Contract work in progress at 31.05.2018, cf. Note 2.6	1,704.5	1,347.3
Contract work in progress at 01.06.2017, cf. Note 2.6	(1,347.3)	(1,362.3)
	3,428.8	**3,090.9**
Revenue is broken down by business units as follows:		
Audit & Assurance	1,305.3	1,364.9
Risk Advisory	234.9	220.5
Tax & Legal	417.1	394.2
Financial Advisory	223.4	201.7
Consulting	1,248.1	909.6
	3,428.8	**3,090.9**

1.2 Staff costs

Staff costs comprise salaries, remuneration and social security costs etc. for the financial year for the Company's employees and partners, less refunds etc. received from public authorities. Staff costs also include the costs in the financial year for jubilee benefits.

	2017/18 DKK'm	2016/17 DKK'm
Salaries and remuneration to partners	2,101.9	2,090.1
Long-term employee liabilities, refer to Note 2.7	(0.3)	0.2
Other social security costs	17.9	16.9
Other staff costs	58.0	49.3
	2,177.5	**2,156.5**
Average no. of full-time employees	2,513	2,553
No. of employees at year-end	2,717	2,741
Remuneration to the Executive Board	-	12.7
Total remuneration to Key Management incl. remuneration to the Executive Board	**96.6**	**74.8**

Annual Report 2017/18 | **Operating profit or loss**

1.3 External expenses

External expenses for the financial year comprise costs of administration, premises, training and continuing education, marketing, bad debts, etc. and work carried out by subcontractors.

	2017/18 DKK'm	2016/17 DKK'm
Work carried out by subcontractors, including other Deloitte member firms	568.5	283.9

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1.4 Depreciation and amortisation

Accounting policies

Intangible assets are amortised and items of property, plant and equipment are depreciated on a straight-line basis over their expected useful lives, which are as follows:

Intellectual property rights	1–10 years
Completed development projects	10 years
Operating equipment and fixtures	3-8 years

The maximum depreciation period for leasehold improvements is the agreed lease period.

Depreciation and amortisation methods, useful lives and residual values are reviewed annually.

	2017/18 DKK'm	2016/17 DKK'm
Depreciation and amortisation		
Intellectual property rights	8.9	7.8
Completed development projects	11.4	11.4
Leasehold improvements	1.5	1.4
Operating equipment and fixtures	12.3	13.7
Profit or loss on sale of non-current assets	0.9	0.5
	35.0	**34.8**

1.5 Special items

Accounting policies

Special items are used to present exceptional profit or loss items that are not expected to be of a recurring nature and due to their size or nature differ with respect to the profit fluctuations generally expected in the Company, including gains or losses resulting from strategic restructuring decisions etc.

Significant accounting estimates and judgements

Presentation of special items

The classification of items as "special items" is based on Management's judgement of whether or not the items in question are expected to be recurring, and whether, by their size or nature, they differ with respect to the profit fluctuations that can be generally expected in the Company.

	2017/18 DKK'm	2016/17 DKK'm
Profit on divestment of activities	13.1	17.4
Profit on disposal of client relationships	3.4	2.8
Provision for onerous property lease contracts	(2.0)	(2.3)
	14.5	**17.9**

2. Operating assets and liabilities

2.1 Goodwill

Accounting policies

On initial recognition, goodwill is recognised and measured as described in Note 4.1, Acquisition and divestment of businesses.

Goodwill is not amortised, but tested annually at financial year-end for impairment, based on a determination of the recoverable amount for goodwill, see below. The recoverable amount is determined irrespective of whether any indication of impairment has been identified. If the carrying amount is higher than the recoverable amount determined, the carrying amount is written down to the recoverable amount.

The recoverable amount is determined as the value in use of the cash-generating units to which the amounts of goodwill are allocated. When determining the value in use, estimated future cash flows are discounted to present value.

Significant accounting estimates and judgements

Impairment requirements

The determination of the values in use is based on Management's estimates of the expected future cash flows in each cash-generating unit and the determination of a discount rate. These estimates are subject to some uncertainty, and changes therein may have a significant effect on the financial statements in terms of whether an impairment loss should be recognised and, if applicable, by what amount.

The carrying amount of goodwill amounts to DKK 500.0m at 31 May 2018 (31 May 2017: DKK 509.1m). Neither this financial year nor last financial year identified any indication of impairment of goodwill.

For more details about the assumptions, discount rates etc. used in determining the value in use of the defined cash-generating units, see the description below.

2.1 Goodwill (cont.)

	Goodwill DKK'm
Cost at 01.06.2016	511.9
Additions	2.8
Disposals regarding divestment of businesses	(3.6)
Transferred to assets classified as held for sale	(2.0)
Cost at 31.05.2017	**509.1**
Carrying amount at 31.05.2017	**509.1**
Cost 01.06.2017	509.1
Additions	0.5
Transferred to assets classified as held for sale	(9.6)
Cost at 31.05.2018	**500.0**
Carrying amount at 31.05.2018	**500.0**

The carrying amount of goodwill is allocated to the following cash-generating units, corresponding to the Company's business units:

	31.05.2018 DKK'm	31.05.2017 DKK'm
Goodwill		
Audit & Assurance	374.3	383.9
Risk Advisory	25.1	25.1
Tax & Legal	18.6	18.6
Financial Advisory	0.5	0.0
Consulting	81.5	81.5
	500.0	**509.1**

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2.1 Goodwill (cont.)

Determination of recoverable amount

When determining values in use, the expected future cash flows have been used that can be derived from management-approved budgets for the coming financial year. These budgets have been projected for the following four financial years using estimated growth rates etc., so that the budget and forecast periods cover a total of five financial years. For accounting periods after the forecast period (terminal period), estimated normalised cash flows in the last forecast period have been subjected to extrapolation. When calculating the cash flows, remuneration to shareholding partners is included at an estimated amount based on the average remuneration to non-shareholding partners.

The main uncertainties in determining the value in use are related to the determination of discount rates, growth rates and earnings margins in the budget and forecast periods as well as in the terminal period.

The discount rates determined reflect the risk-free interest rate at the balance sheet date and the estimated specific risks associated with the assets and cash flows of each cash flow-generating unit. The discount rate is determined on the basis of the assessed Weighted Average Cost of Capital (WACC) for each cash-generating unit. The pre-tax discount rate applied on Audit & Assurance and Risk Advisory is 9.3% (2016/17: 9.2%). For Tax & Legal, Consulting and Financial Advisory, the discount rates used are 9.5%, 10.0% and 10.2%, respectively (2016/17: 9.5% and 9.9%, respectively, for Tax & Legal and Consulting. Value in use for Financial Advisory was not calculated).

The growth rates and earnings margins used are based on Management's expectations for the development of the respective business units during the budget and forecast periods and the terminal period. These expectations are based on previous experience, defined strategic goals etc.

The terminal period growth rates set are not estimated to exceed the average long-term growth rates for the markets as a whole. The terminal period growth rates are 1.5% (2016/17: 1.5%).

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2.2 Other intangible assets

Accounting policies

Other intangible assets comprise completed development projects and acquired intellectual property rights in the form of software rights etc. and client contracts.

Development projects on clearly defined and identifiable systems and processes etc., for which the technical utilisation rate, sufficient resources and future economic benefits can be established and where the intention is to complete the project and use the intangible asset, are recognised as intangible assets, which are amortised over their expected useful lives. Other development costs are recognised as costs in profit or loss as and when incurred.

The cost of development projects comprises costs, including salaries and depreciation or amortisation of assets, that are directly attributable to the development projects. Amortisation of completed development projects commences when the asset is put into service.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Other intangible assets are reviewed annually for indication of impairment. In-progress development projects are tested once a year for impairment. Impairment tests are carried out applying the same policies as described above for goodwill.

2.2 Other intangible assets (cont.)

	Intellectual property rights DKK'm	Completed development projects DKK'm
Other intangible assets		
Cost at 01.06.2016	52.8	115.5
Additions	5.7	0.0
Cost at 31.05.2017	**58.5**	**115.5**
Amortisation and impairment losses at 01.06.2016	(14.3)	(65.2)
Amortisation for the year	(7.8)	(11.4)
Amortisation and impairment losses at 31.05.2017	**(22.1)**	**(76.6)**
Carrying amount at 31.05.2017	**36.4**	**38.9**
Cost at 01.06.2017	58.5	115.5
Additions	10.9	0.0
Cost at 31.05.2018	**69.4**	**115.5**
Amortisation and impairment losses at 01.06.2017	(22.1)	(76.6)
Amortisation for the year	(8.9)	(11.4)
Amortisation and impairment losses at 31.05.2018	**(31.0)**	**(88.0)**
Carrying amount at 31.05.2018	**38.4**	**27.5**

All other intangible assets are considered to have definite useful lives over which the assets are amortised, refer to Note 1.4. No indication of impairment is deemed to exist for these assets.

2.3 Property, plant and equipment

Accounting policies

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

Cost comprises the acquisition price, costs directly related to the acquisition, and costs for preparing the asset up to the date when the asset is ready to be put into operation.

The depreciation basis is the asset's cost net of its expected residual value after the end of its useful life. Assets are depreciated on a straight-line basis over their expected useful lives, refer to Note 1.4. It is assessed annually whether any changes to residual values and depreciation periods should be made.

Items of property, plant and equipment are reviewed annually for indication of impairment. Impairment tests are carried out applying the same policies as described above for goodwill.

	Leasehold improvements DKK'm	Operating equipment and fixtures DKK'm
Cost at 01.06.2016	13.9	152.8
Additions	3.8	28.9
Disposals	(2.4)	(38.8)
Cost at 31.05.2017	**15.3**	**142.9**
Depreciation and impairment losses at 01.06.2016	(5.5)	(116.3)
Depreciation for the year	(1.4)	(13.7)
Reversal regarding disposals	2.0	27.7
Depreciation and impairment losses at 31.05.2017	**(4.9)**	**(102.3)**
Carrying amount at 31.05.2017	**10.4**	**40.6**
Cost at 01.06.2017	15.3	142.9
Additions	1.4	9.5
Disposals	0.0	(12.8)
Cost at 31.05.2018	**16.7**	**139.6**
Depreciation and impairment losses at 01.06.2017	(4.9)	(102.3)
Depreciation for the year	(1.5)	(12.3)
Reversal regarding disposals	0.0	7.6
Depreciation and impairment losses at 31.05.2018	**(6.4)**	**(107.0)**
Carrying amount at 31.05.2018	**10.3**	**32.6**

Annual Report 2017/18 | Operating assets and liabilities

2.4 Non-current financial assets

Accounting policies

Non-current financial assets consist of investments in associates and deposits in connection with the inception of lease contracts, which are repaid when such contracts expire. As a rule, the deposits are indexed on an annual basis. The amounts are recognised as collateral and are measured at cost.

Deloitte Statsautoriseret Revisionspartnerselskab holds 20% of the shares in the associate Deloitte Nordic A/S and 40% of the shares in the associate Deloitte Nordic Holding ApS, both registered in Copenhagen. The purpose of these companies is for the Nordic member firms to share investments and costs related to joint investments in activities, business development and development of market activities. These companies are, therefore, not expected to make either profits or losses. The companies are recognised according to the equity method and Deloitte Statsautoriseret Revisionspartnerselskab's share of net profit in these companies amounts to DKK 0.0m for 2017/18 (2016/17: DKK 0.0m). The share of the companies' total equity is DKK 0.1m (31 May 2017: DKK 0.1m), which has been recognised as a non-current financial asset.

Deloitte Statsautoriseret Revisionspartnerselskab holds all of the shares in the subsidiary Deloitte Pension Management Brokers P/S, registered in Copenhagen. Since its foundation in 2014, the company has only had limited activities. The company's net loss for 2017/18 amounts to DKK 0.1m (2016/17: a loss of DKK 2.8m), which has been recognised in the respective line items in the parent statement of comprehensive income. Net assets at 31 May 2018 total a negative DKK 12.7m (31 May 2017: a negative DKK 12.6m), which has been recognised in the respective line items in the parent balance sheet.

2.5 Receivables

Accounting policies

Receivables comprise trade receivables and other receivables.

On initial recognition, receivables are measured at fair value and subsequently at amortised cost, which usually equals the nominal value less any write-downs for bad debts. Write-downs of trade receivables are recognised in a separate allowance account based on Management's assessment of each receivable. Refer also to Note 3.4 for a description of credit risks.

	2017/18 DKK'm	2016/17 DKK'm
Trade receivables	759.2	669.3
Allowance account	(14.8)	(17.4)
Net trade receivables	**744.4**	**651.9**
Allowance account at 01.06.2017	17.4	18.8
Losses incurred in the year	(2.6)	(5.8)
Net write-down for the year	0.0	4.4
Allowance account at 31.05.2018	**14.8**	**17.4**

No write-down of other receivables has been made.

2.6 Contract work in progress

Accounting policies

Contract work in progress is measured according to the percentage-of-completion method at the sales value of the work performed at the balance sheet date, net of amounts invoiced on account.

Each contract in progress is recognised in the balance sheet in receivables or liabilities, depending on whether the net asset value, calculated as the sales value less amounts invoiced on account, is positive or negative.

Significant accounting estimates and judgements

The sales value of the work carried out at the balance sheet date is determined based on time spent and Management's assessment of the fee value thereof.

2.6 Contract work in progress (cont.)

	2017/18 DKK'm	2016/17 DKK'm
Contract work in progress:		
Contract work in progress at sales value	1,704.5	1,347.3
Invoiced on account	(1,423.3)	(1,146.9)
	281.2	**200.4**
Net value is recognised in the balance sheet as follows:		
Contract work in progress, assets	318.4	243.8
Contract work in progress, liabilities	(37.2)	(43.4)
	281.2	**200.4**

2.7 Employee liabilities

Accounting policies

Employee liabilities comprise amounts payable under bonus plans etc., incl. residual payments to partners, holiday pay obligations and provisions for jubilee benefits etc.

Provisions for jubilee benefits etc.

It is the Company's policy to grant a jubilee benefit on 25-year and 40-year anniversaries of employment with Deloitte corresponding to 1 and 1½ month's salary, respectively. Expected future jubilee benefits for the Company's partners and employees are recognised based on an actuarial calculation of the present value of expected jubilee benefits based on the current salary levels as well as expected future salary increases and time of termination of service.

	2017/18 DKK'm	2016/17 DKK'm
Provisions for jubilee benefits at 01.06.2017	10.2	10.5
Adjustment for the financial year	0.7	0.7
Interest expenses	0.2	0.2
Actuarial (gains)/losses	(1.1)	(0.6)
Jubilee benefits paid	(0.6)	(0.6)
Provision for jubilee benefits at 31.05.2018	**9.4**	**10.2**
Long-term employee liabilities at 31.05.2018	**9.4**	**10.2**
Recognised in staff costs for the financial year	**(0.3)**	**0.2**

2.8 Provisions

Accounting policies

Provisions comprise expected costs in connection with known professional liability claims and onerous lease contracts for which the decision has been made to vacate the premises.

Provisions for professional liability claims are measured as the best estimate of the costs required to settle the claims on the balance sheet date, based on Management's assessment of the specific circumstances in each case and after offsetting any insurance cover.

Provisions for lease contracts are measured as the contractual rental obligation for the remaining non-cancellable period, reduced by Management's best estimate of any sublease income.

Estimated net costs expected to be incurred more than one year after the balance sheet date are discounted to present value if this has a material effect on the measurement of the liability.

	2017/18 DKK'm	2016/17 DKK'm
Professional liability claims at 01.06.2017	4.8	13.5
Used in the financial year	(0.1)	(0.7)
Reversed in the financial year	(3.4)	(11.0)
Provisions in the financial year	2.1	3.0
Professional liability claims at 31.05.2018	**3.4**	**4.8**
Onerous lease contracts at 01.06.2017	1.7	0.0
Used in the financial year	(1.0)	0.0
Provisions in the financial year	2.0	2.2
Transferred to liabilities related to assets classified as held for sale	0.0	(0.5)
Onerous lease contracts at 31.05.2018	**2.7**	**1.7**
Provisions at 31.05.2018	**6.1**	**6.5**

The outcome and timing of settlement of professional liability claims is inherently uncertain, but the claims are assessed as being settled in full within the next three to four years. The liabilities are presented after offsetting insurance cover, as information about expected claims etc. is considered to seriously prejudice the position of the Company. Onerous property lease contracts are expected to be settled within the next one to two years.

2.9 Rental and lease obligations

The Company has entered into property lease contracts as well as operating lease contracts regarding copiers/printing equipment and vehicles.

The Company has lease obligations relating to properties subject to a non-cancellable period of between 0 month and 20 years. Other lease contracts can be terminated by giving a notice of up to 51 months. Certain lease contracts stipulate annual rent adjustments relative to price indexes etc., but which by themselves have negligible effects on the financial statements.

	2017/18 DKK'm	2016/17 DKK'm
Minimum rental and lease payments	94.2	104.0
Sublease income	(3.2)	(2.7)
Rental and lease payments recognised in profit or loss	**91.0**	**101.3**
Future minimum rental and lease payments fall due as follows:		
Within 1 year	94.2	98.1
Between 1-5 years	287.5	245.8
More than 5 years	218.4	72.9
	600.1	**416.8**

Out of the future minimum rental and lease payments, DKK 2.7m (2016/17: DKK 2.2m) has been recognised as onerous property lease contracts, refer to Note 2.8.

3. Capital structure and financing

3.1 Share capital

	2017/18 DKK'm	2016/17 DKK'm
The share capital is made up of:		
A shares, 105 shares at a nominal value of DKK 0.4m	42.0	42.0
	42.0	**42.0**

3.2 Dividend

Accounting policies

Dividend is recognised as a liability at the time of declaration at the Annual General Meeting.

For the financial year 2017/18, the Board of Directors has proposed a dividend of DKK 60.4m (2016/17: DKK 57.7m, equivalent to DKK 0.6m per share (2017/18: DKK 0.6m per share), which will be paid to the shareholders after the Company's Annual General Meeting on 30 October 2018, provided that the Annual General Meeting adopts the Board of Directors' proposal. As the dividend is conditional upon adoption by the Annual General Meeting, it has not been recognised as a liability in the balance sheet at 31 May 2018.

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3.3 Financial liabilities

Accounting policies

Financial liabilities comprise debt instruments, payables to credit institutions and other lenders, deferred conditional payments for business acquisitions, accounts payable and other payables.

On initial recognition, financial liabilities are measured at fair value, which usually corresponds to the proceeds received, less any transaction costs. Subsequently, such liabilities are measured at amortised cost.

	2017/18 DKK'm	2016/17 DKK'm
VAT, A tax and social security contributions	84.0	89.3
Other expenses payable	24.0	33.1
Other liabilities at 31.05.2018	**108.0**	**122.4**
Financial liabilities at 01.06.2017, not included in cash and cash equivalents, refer to Note 3.5	99.1	
Net repayments in the financial year	(18.4)	
Financial liabilities at 31.05.2018, not included in cash and cash equivalents, refer to Note 3.5	**80.7**	

3.4 Financial instruments and risks etc.

	2017/18 DKK'm	2016/17 DKK'm
Categories of financial instruments		
Trade receivables	744.4	651.9
Receivables from associates	43.1	49.4
Other receivables	48.6	65.5
Cash	2.2	18.3
Loans and receivables	**838.3**	**785.1**
Financial liabilities	331.4	279.7
Trade payables	148.2	83.0
Other debt	108.0	122.4
Financial liabilities measured at amortised cost	**587.6**	**485.1**

The fair value of financial instruments is estimated to be equivalent to the carrying amount.

3.4 Financial instruments and risks etc. (cont.)

Policy for managing financial risks

Management continuously monitors the Company's financial risks and coordinates its cash management, including funding. The Company is not exposed to significant financial risks, see below.

Currency risks

The Company's sales transactions are mainly conducted in Danish kroner. 6% of total revenue is denominated in foreign currencies (2017/18: 10%), primarily in USD, EUR and GBP.

Services purchased abroad, such as insurance, and services purchased from other Deloitte member firms primarily take place in USD, EUR and GBP. In the financial year, services purchased in USD totalled DKK 82.0m, in EUR they totalled DKK 308.0m and in GBP they totalled DKK 278.0m (2016/17: DKK 79.0m in USD, DKK 125.0m in EUR and DKK 62.0m in GBP). At the balance sheet date, the Company has net receivables of DKK 6.3m in USD (2016/17: net receivables of DKK 2.8m), net receivables of DKK 78.1m in EUR (2016/17: net receivables of DKK 101.2m) and net payables of DKK 25.6m in GBP (2016/17: net payables of DKK 6.4m).

The currency risk is not considered significant enough for transactions to be hedged. Likely changes in exchange rates at the balance sheet date would only have an insignificant impact on the Company's earnings and equity.

Interest rate risks

As a result of its financing activities, the Company is exposed to fluctuations in interest rate levels in Denmark. The interest rate risk has not been hedged. The Company's net interest-bearing debt at the balance sheet date consists of floating-rate liquid assets (bank deposits) of DKK 2.2m (2016/17: DKK 18.3m) and financial liabilities of DKK 331.4m (2016/17: DKK 247.5m). All things being equal, earnings and equity would be affected by DKK 1.6m (2016/17: DKK 1.6m), if the interest rate increases by 0.5 percentage point.

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Credit risks

As a result of its operations, the Company is exposed to credit risks, which mainly relate to trade receivables, including contract work in progress, and bank deposits. The maximum credit risk is consistent with the carrying amount of these items.

The bank deposits, which are placed with well-established credit institutions, are not considered to be subject to particular credit risk.

Trade receivables are monitored on an ongoing basis, including an individual assessment of the risk of bad debts.

Before write-down, trade receivables amount to DKK 759.2m at 31 May 2018 (31 May 2017: DKK 669.3m). These receivables have been written down by a total of DKK 14.8m (31 May 2017: DKK 17.4m) to match the current loss risk, refer to Note 2.5. Impairment losses amount to an average of 2.0% of the receivables estimated to involve a loss risk (31 May 2017: 2.6%). The Company's overdue receivables, which have not been written down for bad debts, total DKK 179.7m at 31 May 2018 (31 May 2017: DKK 176.0m), of which DKK 60.2m is older than 30 days (31 May 2017: DKK 98.2m).

Liquidity risks

The Company has primarily financed its activities through overdraft facilities with credit institutions with related undrawn credit facilities and other short-term financial liabilities.

The Company's activities are not deemed to involve any particular liquidity risk. The Company's borrowing and credit facilities are not subject to special terms or conditions.

The Company's financial liabilities fall due as specified below, where the amounts reflect the non-discounted nominal amounts that fall due in accordance with the contracts entered into, including future interest payments calculated based on current market conditions.

Because of, for example, seasonal fluctuations in the Company's activities, its liquidity requirements vary over the financial year. Allowance is made for these seasonal fluctuations by securing sufficient credit facilities etc. In addition, the shareholding partners' remuneration is profit-related, and the Company's liquidity requirements to settle this remuneration is, therefore, dependent on the results realised by the Company.

3.4 Financial instruments and risks etc. (cont.)

Liquidity risks (cont.)

	0-1 year DKK'm	1-5 year DKK'm	> 5 year DKK'm	Total 31.05 DKK'm	Carrying amount 31.05 DKK'm
2017/18					
Financial liabilities	320.6	9.5	25.6	355.7	331.4
Trade payables	148.2	0.0	0.0	148.2	148.2
Other payables	108.0	0.0	0.0	108.0	108.0
Employee liabilities	620.4	0.0	0.0	620.4	620.4
Financial liabilities etc.	**1,197.2**	**9.5**	**25.6**	**1,232.3**	**1,208.0**
2016/17					
Financial liabilities	255.7	16.9	29.4	302.0	279.7
Trade payables	83.0	0.0	0.0	83.0	83.0
Other payables	122.4	0.0	0.0	122.4	122.4
Employee liabilities	635.7	0.0	0.0	635.7	635.7
Financial liabilities etc.	**1,096.8**	**16.9**	**29.4**	**1,143.1**	**1,120.8**

Optimal capital structure

It is the Company's policy to distribute earnings on a regular basis, if possible, with due consideration of the need for consolidation, to its shareholders as profit-dependent remuneration which is recognised in staff costs in the financial statements. Management regularly monitors the Company's capital structure.

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3.5 Cash and cash equivalents

Accounting policies

The cash flow statement shows cash flows from operating, investing and financing activities and cash and cash equivalents at the beginning and end of the year. Cash flows from operating activities are presented using the indirect method.

Cash and cash equivalents comprise cash and overdraft facilities that form part of the ongoing cash management process

	2017/18 DKK'm	2016/17 DKK'm
Cash	2.2	18.3
Current financial liabilities (overdraft facilities)	(250.7)	(180.5)
Cash equivalents	**(248.5)**	**(162.2)**

3.6 Financial income

Interest income	1.2	1.0
Net foreign currency translation adjustments	1.5	1.7
Financial income	**2.7**	**2.7**

3.7 Financial expenses

Interest expenses	7.1	5.7
Financial expenses	**7.1**	**5.7**

4. Other notes

4.1 Acquisition and divestment of businesses

Accounting policies

Acquisition of businesses

Businesses acquired from third parties are recognised in the financial statements from the time of acquisition, which is the date when the control of the business is actually acquired, and by using the purchase method under which the newly acquired businesses' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date.

Cost of businesses acquired before 1 June 2010 has been calculated at fair value of the agreed consideration plus the costs directly attributable to the acquisition of the business.

For businesses acquired on or after 1 June 2010, cost is calculated as the fair value of the agreed consideration. Costs directly attributable to the acquisition of the business are recognised in profit or loss as and when incurred.

If the final amount of the consideration agreed is conditional on one or more future events, the consideration payable is recognised at fair value at the acquisition date. Subsequent changes therein are recognised in profit or loss.

Positive differences between cost of the acquired business and fair value of the acquired assets, liabilities and contingent liabilities are recognised as goodwill which is allocated to the relevant cash-generating units, which are consistent with the Company's business units. This allocation serves as a basis for the subsequent impairment test, refer to Note 2.1.

Divestment of businesses

Businesses and activities that are divested are recognised in the financial statements until the time of divestment, which is the date of actual transfer of control of the business.

Profits on the divestment of businesses and activities are calculated as the difference between fair value of the sales proceeds and carrying amount of net assets in the business at the date of divestment, including a proportionate share of goodwill associated with the relevant cash-generating unit. Profits or losses are recognised in profit or loss at the date of divestment.

Business acquisitions

After the balance sheet date, the Company acquired in June 2018 the consulting company Struensee & Co. The acquisition is not considered to have a significant impact on the financial statements.

Divestment of businesses

It is part of our strategy to aim to gather our activities in eight nationwide offices. As a result, the activities of one of our offices were divested with effect from 1 May 2017, and the activities of two other offices have been divested with effect from 1 July 2017 and 1 August 2017, respectively. Net assets in businesses divested in 2017/18 amounted to DKK 2.0m. Total cash flows in 2017/18 from divestments of businesses amounted to DKK 30.4m, of which DKK 10.0m related to divestments in 2017/18 and DKK 20.4m related to divestments in 2016/17.

After the balance sheet date, our Slagelse office activities were divested with effect from 1 August 2018 with an expected profit of approx. DKK 10m.

4.2 Contingent liabilities etc.

Bank guarantees of DKK 2.5m have been provided for property lease contracts etc. (2016/17: DKK 2.5m).

Deloitte Statsautoriseret Revisionspartnerselskab has issued a letter of support for its subsidiary Deloitte Pension Management Brokers P/S. The subsidiary has been recognised as described in Note 2.4.

The Company is party to various lawsuits and disputes. Provisions have been made for estimated costs related to known claims for damages, refer to Note 2.8.

4.3 Fees to the auditor elected at the Annual General Meeting

Other external expenses include fees to the Company's auditor elected at the Annual General Meeting in the amount of:

	2017/18 DKK'm	2016/17 DKK'm
Other external expenses include fees to the Company's auditor elected at the Annual General Meeting in the amount of:		
Statutory audit	0.5	0.5
Other assurance engagements	0.0	0.0
	0.5	**0.5**

4.4 Related parties

Related parties
No party has control of the Company.

Related party transactions
Remuneration to Key Management is disclosed in Note 1.2.

Key Management has directly or indirectly received dividend, refer to Note 3.2.

Interest-bearing debt to Key Management at 31 May 2018 amounts to DKK 5.4m (31 May 2017: DKK 5.4m). The related interest expenses amount to DKK 0.1m for 2017/18 (2016/17: DKK 0.1m).

Receivables from associates at 31 May 2018 total DKK 43.1m (31 May 2017: DKK 49.4m).

Deloitte Denmark General Partner ApS is a general partner of the Company and has received a payment of DKK 3k for its general partner liability for the financial year 2017/18.

4.5 Authorisation of the Annual Report for issue

The Board has authorised this Annual Report for issue at the Board meeting on 22 August 2018. The Annual Report will be submitted to the Company's shareholders for adoption at the Annual General Meeting on 30 October 2018.

4.6 Events after the balance sheet date

Except for the acquisition and divestment of activities described in Note 4.1, no events have occurred from the balance sheet date and until the date of issue that would influence the evaluation of this Annual Report.

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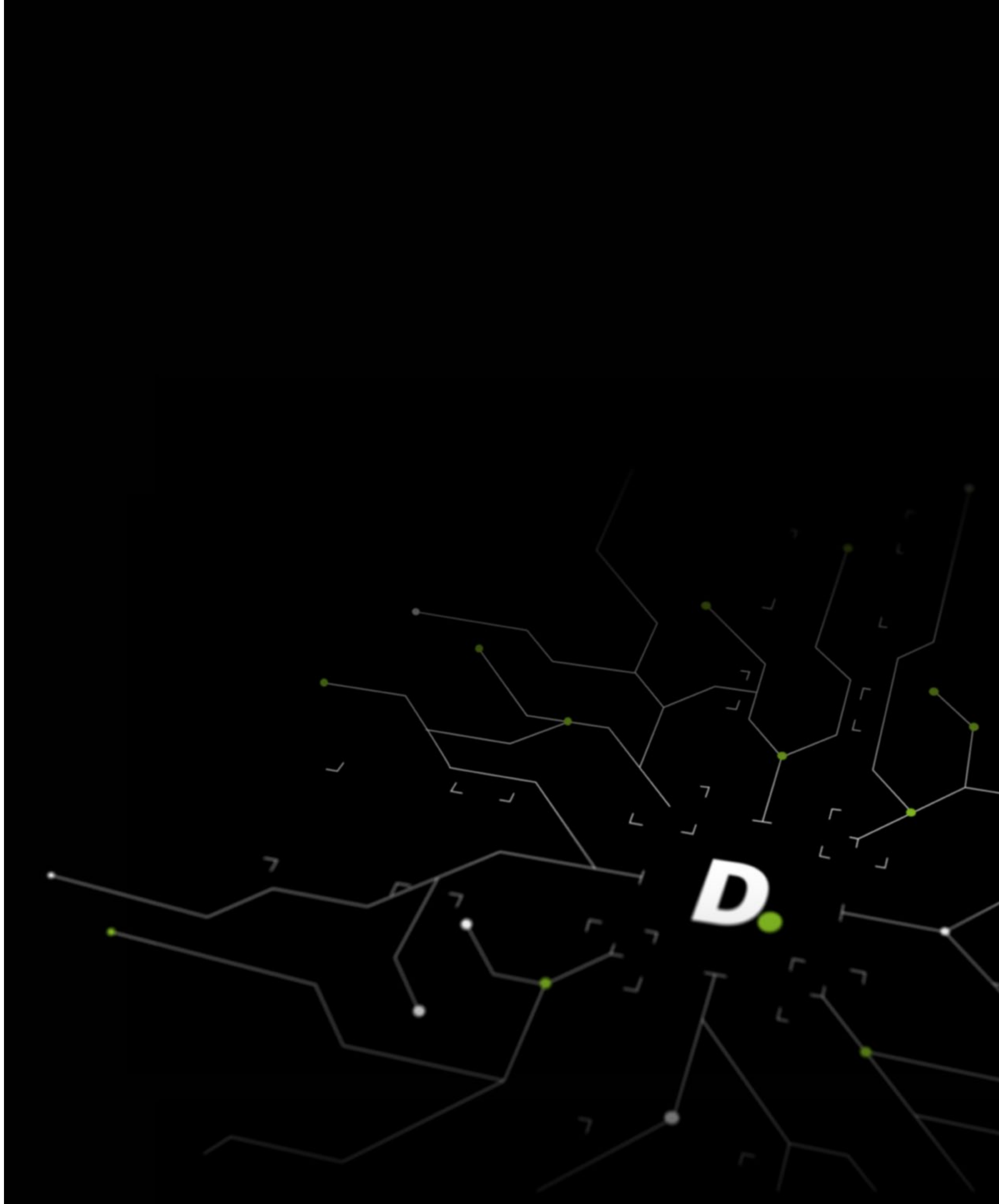

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