Annual Report 2019/20

It's time to adapt and innovate

ey.com/dk

CVR-no. 35 68 31 94 | EY Partnership P/S
Dirch Passers Allé 36 | 2000 Frederiksberg

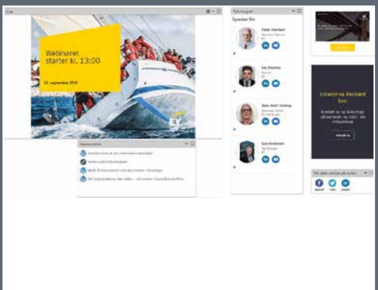
EY
Building a better working world

We are

Highlights from a transformative year

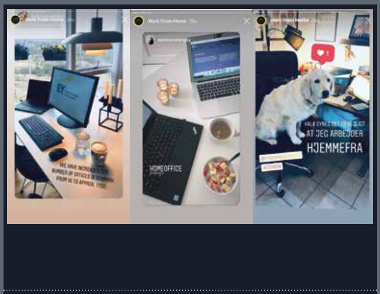
Connecting with successful entre-preneurs


Onboarding new talent for the future



Engaging clients in webinars and events

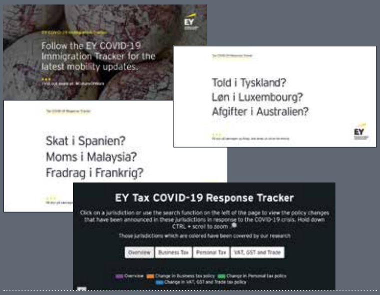

Finding the work-life balance



Sharing Instagram home office inspiration

Celebrating high-growth entrepre-neurs

Thought leaders in the market



Response Tracker providing global updates

Moving to flexible and agile work-places

Help our people build new skills and capabilities

EY…

State authorized public accountant exam

	EY's exam pass rate	Country average
Exam A	71%	66%
Exam B	75%	63%
Exam C	71%	56%

Having an above average pass rate

Free COVID-19 hotline for DK businesses

Moving from 16 to approx. 1,700 offices overnight…

Designing new workspaces with EY@work

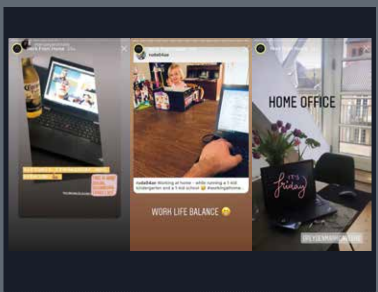
+2 bn.

DKK

EY in Denmark
FY20

Revenue exceeding an important milestone

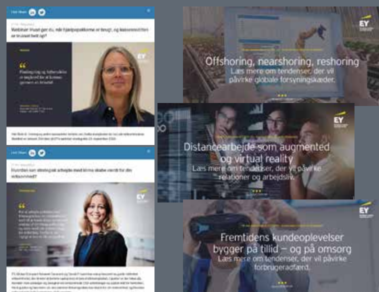
Partnering with NGO's to create ripples



Making work work from home…

Transformative leaders are purpose-driven and bring out the best in themselves and others.

Driving transformative leadership



Bringing new insights and perspectives to clients

+7%

EY in Denmark
FY20

Growing revenue across all service lines…

Mergermarket league table (by volume) of financial advisors advising on announced transactions in the Nordic Region

Q1-Q3 2020	Q1-Q3 2019	Company Name	Value (US$m)	No of Deals
1	3	EY	1,890	39
2	2	Deloitte	1,741	35
3	1	PwC	1,496	35

Taking the lead in M&A

One of the most attractive employers

Contents

The Annual Report 2019/2020 is EY in Denmark's statutory statement, including sections 99a and 99 b of the Danish Financial Statements Act.

CEO LETTER

It’s time to adapt and innovate

Our purpose of Building a better working world has never been more relevant.

In the evening on 11 March, all EY people in Denmark received an update effectively turning 16 offices into approx. 1,700 home offices overnight. We immediately responded to government recommendations regarding COVID-19, and our guidelines and our key focus have been and continue to be the safety and wellbeing of our people and our clients. We swiftly invoked travel restrictions and put in place comprehensive guidance regarding meetings, events and a safe return to EY offices.

We have the tools and technology as well as highly skilled and adaptable employees and have been able to quickly make such a transition where we continue to deliver high-quality services.

During most of the financial year 2019/20 nobody knew how dramatically the world would change in 2020 with the COVID-19 pandemic and the sharpest global recession in a century creating unprecedented challenges for individuals and society.

Through the pandemic and despite working remotely, EY teams worked closely with clients locally and across borders and service lines to re-route EY clients’ supply chains, manage liquidity and advise on the impact on stakeholders.

Jan C Olsen, CEO and Jan M Huusmann, Country Managing Partner & CEO

We continue to help clients challenge currently held assumptions by understanding megatrends in society to see opportunities where others don't. And we have deep conversations with clients on helping them innovate and build resilience for the financial, societal and regulatory challenges, and opportunities, beyond the pandemic.

For society, EY creates long-term value through the work we do every day – fostering confidence and trust in capital markets and having a positive impact on communities and the planet. In challenging times, our services to a broad segment of Danish companies and the public sector seem more relevant than ever.

EY revenue exceeds DKK 2bn

In the 2019/20 financial year (FY20), EY's revenue totalled DKK 2,082.5m corresponding to an increase of 7% compared to last year where revenue increased by 6.6%. The development is satisfactory, and all business areas report growth.

Assurance: DKK 957m +0.2%	**Consulting:** DKK 309m +6%
Tax & Law: DKK 525m +15%	**Strategy & Transactions:** DKK 292m +17%

EY has launched Next Wave

A year ago, we launched NextWave: the EY strategy and ambition to create long-term value for clients, people and society through focusing on four strategic pillars about clients, people, technology and data, and global integration and teaming. The NextWave strategy expands on the EY purpose of building a better working world and has a clear ambition to create long-term value for all stakeholders. The elements of the NextWave strategy will be measured using the EY long-term value framework, which is built on four value dimensions: human/people value; consumer/client value; social value; and financial value.

It's all about people

In FY20, we continued to strengthen our organisation with new talent. It is important for EY to be a workplace where skilled employees thrive, have the opportunity to develop and are given challenging tasks.

We are proud to see that during these challenging times our employees have made a real difference and demonstrated our values, our purpose and our culture of compassion and teaming more than ever before.

EY's talented people are our most valuable resource. To foster our talent, we need to create a culture that to a higher degree fuels inclusion and diversity and at the same time provides an equal playing field and great career opportunities. While we are making progress in this area, we still have work to do. We are very much aware that this is critical for our future business and for attracting and retaining talent, improving satisfaction, enabling innovation and driving greater client experiences.

New EY domicile

In November 2019, EY moved to our new Copenhagen headquarters. With our new location, we remain in Frederiksberg close to Flintholm Station. EY is heading for the future, and our focus is on technology, sustainability and design. Our office philosophy, EY@Work has influenced the design of the workspace to create a flexible working environment for our people. Other EY offices have also been updated and adapted during FY20.

Work is not a location. It's not where you work, it's how you work and what you are working on. We aim for the best solutions in terms of flexibility and collaboration, and

> This year, EY developed the COVID-19 Enterprise Resilience Framework, a tool to help clients evaluate their risks and levels of preparedness to deal with the pandemic. The Framework acts as a map not only to what businesses need to do to address immediate pressures, but also what they need to do next – and beyond – to help reframe their future.

for us, the office is "an" environment and not "the only" environment in which employees are able to work. Work environment includes a variety of spaces and furniture that adapt to the needs of the users and enhance collaboration.

Putting our skills to work for the better

In FY20, EY launched a programme called EY Ripples, which allows our employees to do voluntary work during working hours and to use their skills to make a difference within education, entrepreneurship and the environment. This is the first step on a multi-year journey, and we look forward to expanding this programme in FY21 to support a wave of change that can positively impact lives of people and places that we might not otherwise reach.

Reimagine the future

The outlook for the Danish economy now includes the risk of global recession or downturn in the Euro area, which Danish companies and society would need to manage and to act upon. This time of turbulence is also a time of opportunity. Not just to rebuild, but to reimagine.

> We have seen countless positive actions, big and small, that EY people have taken to help each other, clients and society tackle the COVID-19 turbulence.

We believe that by looking ahead through a new, transformative lens, organisations can reframe their future. Success is essentially dependent on enterprise resilience – you need the culture, processes, systems and talent to weather the storm now, next and beyond. At the same time, you must rethink your strategy in a world where people are completely reimaging how they live, learn, work and consume.

The world will not emerge from the COVID-19 pandemic the same as it entered it. It is our firm belief that we can do better than returning to normal – we are well prepared for the future, and we are confident that, by working together with our clients, we can build a better working world.

Jan M Huusmann, Country Managing Partner & CEO
Jan C Olsen, CEO

> The ability to look ahead, adapt and transform at speed are critical characteristics for all organisations, including EY.

ASSURANCE

Enhancing trust and confidence

Jan C. Olsen
Head of Assurance in Denmark

EY Assurance grew 0.2% in FY20. Our growth was not as high as expected this year, mainly due to the extension of the deadlines for financial statements and tax returns, meaning that we did not have the level of activity in May and June as we normally do.

We have a strong position among large companies as well as among small and medium-sized companies. We have successfully won new market shares and clients in FY20, especially within the financial sector where our Financial Services Organisation set-up has been very successful.

We have built knowledge and insights in high-growth companies, impact starts-ups and entrepreneurship that benefit our clients. Through EY Entrepreneur Of The Year, we have built an extensive network of Danish business owners and other innovative entities in the Danish business community.

Digital, analytics and sustainability

Our Assurance services – comprising Audit, Financial Accounting Advisory Services (FAAS) and Forensic & Integrity Services (Forensics) – address risk and complexity while identifying opportunities to enhance trust and confidence in business and the capital markets.

Audit furthers the public interest by proactively addressing stakeholders' needs for trust and confidence in the capital markets. This is accomplished through a data-first approach enabled by analytics and digitally empowered teams who are committed to independence, integrity, objectivity and professional scepticism.

FAAS' and Forensics' teams help protect and restore enterprise and financial reputations and support the finance function in enhancing decision-making and efficiency. Our Climate Change & Sustainability Services help companies understand the risks and opportunities arising from

climate change and sustainability issues. Our team helps clients address and evaluate the broader value impacts and outcomes, identify the opportunities and support the reporting of non-financial performance risks to stakeholders.

Together, Assurance services protect and promote sustainable, long-term value for stakeholders.

Assurance's aim is to be the pre-eminent and most trusted global Assurance service provider by continuing to develop the audit of the future, delivering greater insight, assurance and value to clients and the capital markets through ever more sophisticated data analytics.

At the same time, we respond to the growing need of companies to interpret, communicate and shape their strategy around financial and non-financial information.

Assurance's people are the greatest asset in delivering quality and value and building trust. We are elevating their experiences, using data and technology, so they can spend more time addressing risks and exercising professional judgement. Enabled by technology, Assurance continues to build on our multidisciplinary model to deliver more value, insights and high-quality audits.

Assurance sub-service lines

Accounting Compliance & Reporting

Climate Change & Sustainability Services

Financial Accounting Advisory Services

Financial Statement Audit

Fraud Investigation & Dispute Services

DKK 957m

+0.2% growth

850 FTE

63%/37% (Men/Women)

Helping our clients to solve their toughest issues

Jan Huusmann
Head of Tax & Law in Denmark

Our Tax & Law practice is on an impressive journey of transformation and development. Although we faced challenging times due to COVID-19 in FY20, our talented and ambitious team made a fantastic effort and secured a growth of 15%. The COVID-19 situation did put pressure on our business for three months, and although 'the new normal' with remote working was a challenge at first, our team managed to promptly transform our ways of working with clients to a digital world that enabled us to stay in close contact with clients during these turbulent times. Our growth is a result of a significant development across all our sub-service lines. In a mature and competitive market, we managed to strengthen our market activities and realised some great wins and achievements. With agility and client centricity, we expect to further strengthen EY's position within Tax & Law in Denmark over the coming years.

Powered by talented and ambitious people

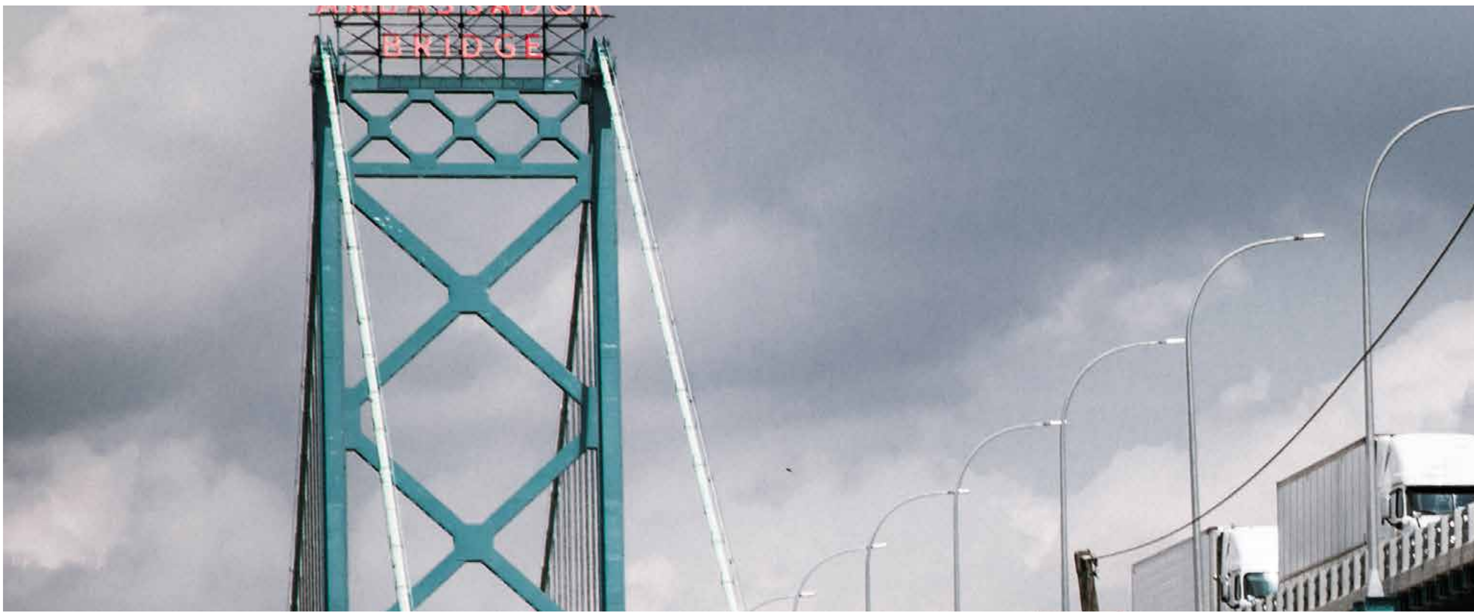
Our focus on developing the right culture and continuously investing in highly skilled people is key to our success. We have succeeded in building wide-ranging and integrated teams with a high level of competence and executing power. It is a high-performance culture in which we learn from our failures, celebrate our successes, have fun and where we take care of each other's health and well-being. We are proud to have a strong diverse talent pipeline, and we will strive to prove to all talents how attractive it is to be part of our team. More than 50% of our Tax & Law talent pipeline are women, and diversity in all aspects of our business will continue to be a major focus in our talent development.

Improving clients' resilience and long-term value

In Tax & Law, we strive to be a trusted business adviser on the front line of strategic and transformational decisions that improve clients' resilience and long-term value. In this dynamic environment, we are building a better working world by enabling business decisions through insights on government policy, regulatory obligations and operations.

We continue to provide the market with leading cross-border tax and legal advice, and because of international measures such as the EU Directive on the Mandatory Disclosure Regime, focus on tax matters has grown, and this means that companies and businesses require additional tax advisory services.

Many companies are faced with challenging supply chain decisions given the changing geopolitical dynamics and



shortages caused by the global pandemic. We have been providing them with real-time tax and legal advice, enabled by leading-edge technology and modelling tools, to empower sound decision-making. Increasingly, businesses are turning to co-sourcing their tax, finance and legal functions to maximise their own capabilities, build a strong, adaptable organisation and fortify their bottom line.

The technological and operational transformations many organisations are now undertaking also require strategic workforce transformations to ensure their success. EY People Advisory Services (PAS) teams continue to help clients address complex workforce issues, including remote working resulting from the pandemic and physical-return transitions.

Even as we look to the future, EY teams are helping clients navigate the present as governments around the world take action to support businesses and stimulate their economies. The Global EY COVID-19 Stimulus Response Tool empowers clients by monitoring developments, determining their critical needs, prioritising a plan and then tailoring actions for continued stabilisation. The tool works in tandem with nearly a dozen regularly updated response trackers to display incentives relevant to a client, costs and benefits of a given incentive and the status of any application made.

Tax & Law sub-service lines

Business Tax Services

International Tax Services

Indirect Tax

Law

People Advisory Services

Tax Technology

Transformation

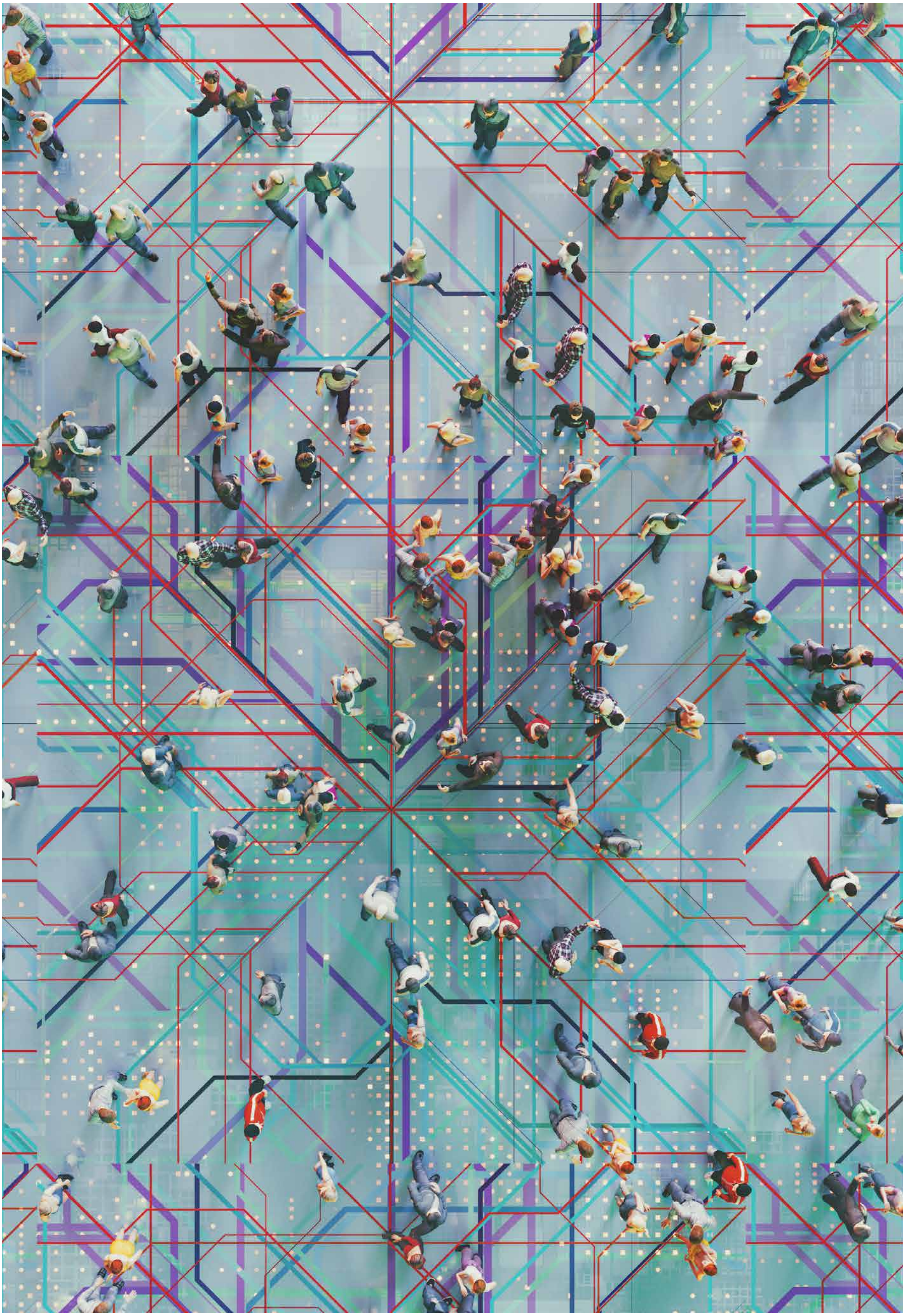
Global Compliance & Reporting

DKK 525m

+15% growth

320 FTE

52%/48% (Men/Women)



CONSULTING

Meeting new demands for transformation

Rene Ravn
Head of Consulting in Denmark

Consulting is serving many of the largest companies in Denmark and across the Nordic region. We realise business transformations for our clients through the power of people, technology and innovation. In FY20, we grew 6% and continued to hire new colleagues and offer new career opportunities for our current and highly skilled and diverse team of consultants and industry professionals to continue our growth journey.

Our aim is to become the world's leading transformation consultants. To reflect this ambition, EY Advisory has changed its name to Consulting; "Consulting" is more widely used in the market and more accurately describes what we do.

Deliver technology at speed and enable innovation at scale

Transformation is not a new concept; consulting firms have long aspired to wholly transform their clients' organisations to set them up for greater success. What is new is the sense of urgency many clients now feel, the need for continual reinvention while meeting short-term financial expectations, the pace of change and the levels of uncertainty that now prevail in many markets. We believe all these factors are reinvigorating demand for transformation and creating new conditions for success.

To help clients generate long-term value, we bring together transformative capabilities, skills, solutions and tools to create impact throughout clients' enterprises and broader ecosystem. We put humans at the centre, deliver technology at speed and enable innovation at scale.

Technology is a vital component in every client's transformation. To that end, we are creating world-class Technology Consulting services within Consulting which will bring the best technology to clients to achieve their objectives – from across the EY ecosystem of alliances and using the in-house capabilities of our many specialist technologists who work at EY.

Our transformational projects are not only a matter of combining tech offerings with our finance practice, but also with what we offer in other service lines – offering far more to our clients.

Consulting sub-service lines

Performance Improvement

Risk

Technology

Cyber

People Advisory Services

DKK 309m

+6% growth

182 FTE

68%/32% (Men/Women)

STRATEGY AND TRANSACTIONS

Unlocking clients' capital agenda

Søren P. Krejler
Head of Strategy and Transactions in Denmark

Transaction Advisory Services recently became Strategy and Transactions, to reflect how we help create strategies for the clients to grow and optimise their portfolios and improve profitability.

Again this year, the level of activity remained high. We have won a larger share of the market, and for the fourth consecutive year, we show double-digit growth. The M&A market was impacted hard by the global pandemic and many transactions went on hold for a period. We have, however, experienced an increased M&A appetite since late June and are somewhat positive on the M&A outlook. Many companies are continuing a transformation strategy supported by M&A activity, and PEs are still active in the market.

This year's growth numbers are to a large extent a reflection and result of our continued investments within both strategy and corporate finance where we have built strong teams with the experience, skills and insights to meet the increasing demands from clients.

Full spectrum of strategy and transactions capabilities

The challenges that EY clients face today, and tomorrow, require a more connected suite of solutions. It's why Strategy and Transactions developed the Connected Capital Solutions (CCS). The CCS help clients unlock their Capital Agendas, develop their strategic vision and convert it into concrete plans. Then, leveraging the global reach and depth of EY services, clients can execute those plans, transform their businesses and reach their full potential.

To deliver this unique proposition, Strategy and Transactions brings together world-class strategy services in EY-Parthenon with teams with Transactions and Corporate Finance experience.

Bringing clients the full spectrum of Strategy, Corporate Finance, Buy and Integrate, Sell and Separate, and Reshaping Results capabilities helps them define their strategic direction, drive actionable plans and deliver on their transformation strategies.

It also means that Strategy and Transactions teams can be even more agile in how their capabilities, know-how and experience are brought together. It puts clients at the heart of every engagement, and it opens exciting opportunities for EY people to accelerate their careers and realise their full potential in an inclusive, high-growth environment.

Strategy and Transactions services

Strategy

Corporate Finance

Buy and Integrate

Sell and Separate

Reshaping Results

DKK 292m

+17% growth

119 FTE

80%/20% (Men/Women)

Locally and globally

EY in Denmark

DKK 2,082.5m revenue

7% growth

1,700 people

EY globally

USD 37.2bn revenue

4.1% growth

300,000 people

EY helps a broad segment of Danish and global companies and the public sector by building trust and confidence in financial reporting, understand and comply with tax legislation, carry out acquisitions and divestments and meet the changes and challenges that they face in relation to digital transformation, cybersecurity, data analytics, automation, etc. That is what our purpose is about: Building a better working world. EY is a competent and trustworthy partner for companies, organisations and the public sector in need of value-creating advisory and audit services.

We aim to deliver exceptional client service and we regularly measure client satisfaction to build stronger client relations and improve our services.

On the next pages, you can read about examples of what we do at EY.

Client Satisfaction Ratings 2020

The interests of the company are our main priority

The family-owned company Aller Aqua A/S was EY Entrepreneur Of The Year Award winner in Denmark in 2017. Via a family constitution, a team of advisers from EY has helped the family secure ownership for many years to come.

This story starts in 2017 when the family-owned company Aller Aqua A/S was declared country winner in EY's global EY Entrepreneur Of The Year programme. The company, which manufactures fish feed for fish farming, is growing substantially and opens factories nos. 5 and 6 in China and Zambia, respectively, that same year.

Succession is secured

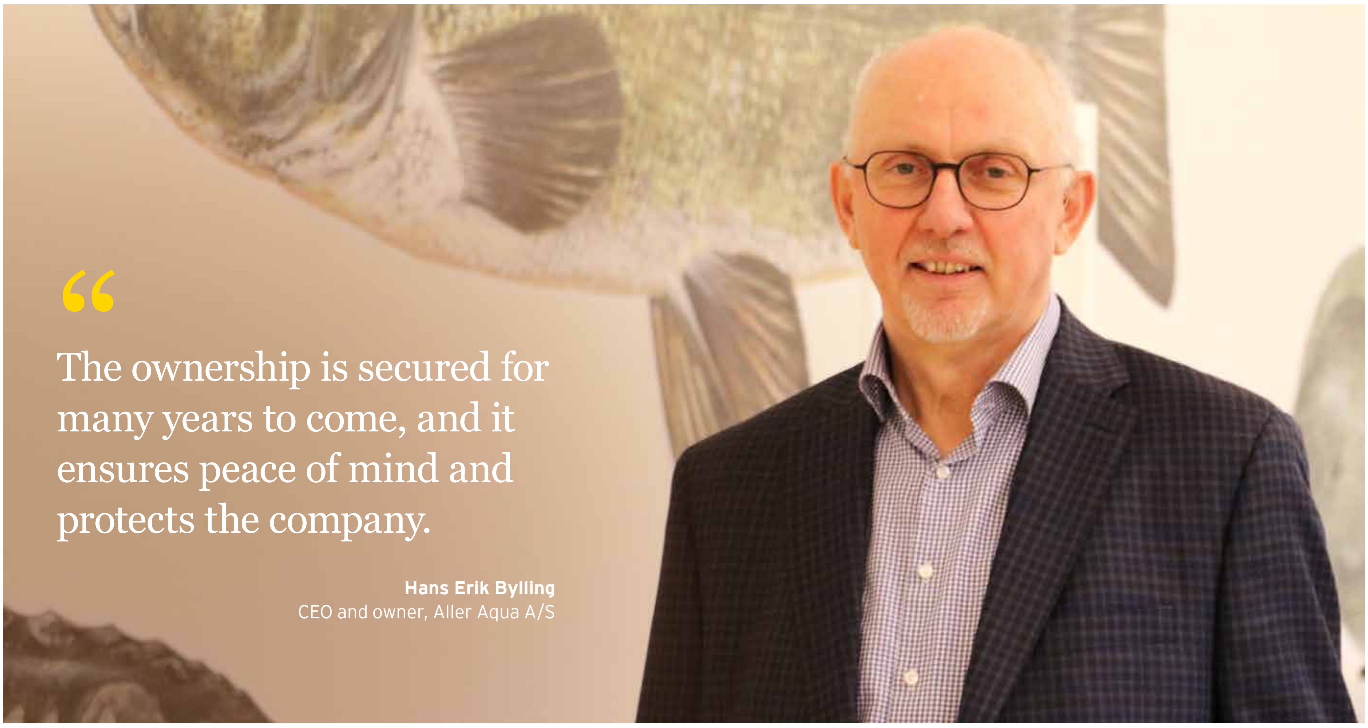
Aller Aqua is headed by Hans Erik Bylling, who is third generation in the family-owned company. Anders Bylling, one of Hans Erik's and his wife Grethe's three children, is CEO of Aller Aqua Qingdao and heads the company's activities in China, and thus, fourth generation is in place.

From a legal point of view, the succession is in place. The three children own a large part of the company, but Hans Erik still has the majority vote. Through last will and testament, separate estate, etc., measures have been taken to safeguard the company.

Legal steps do not solve all issues

The Management of Aller Aqua participates in the global EY Entrepreneur Of The Year final in Monaco, where country winners from all parts of the world gather for jury interviews, meetings and networking dinners up to the announcement of the global winner. During their hectic schedule, they have the opportunity to meet with Lauri Oinaala, who is global leader of EY's global Next Generation programme. Among other things, Lauri addresses the situation where Anders will succeed Hans Erik and the two other children, Henrik and Jette, who are joint owners and heirs but not active in the company.

One thing that particularly catches Hans Erik's attention during this meeting is Lauri's narrative of family constitution. Lauri explains that a successful succession is not only about securing the company legally but also creating a common objective, common values and particularly joint responsibility in the family in relation to the company.



EY's well-proven framework based on experiences from other countries helps convince Hans Erik that a family constitution can create a strong foundation for Aller Aqua going forward.

Bringing the large hurdles into the light

With EY's Danish Family Enterprise team as external facilitator, the entire family participate in a long process that includes an all-day workshop, questionnaires and individual interviews.

The purpose is to identify those matters that may be a ticking bomb in the future – not just under the company but also under the family's internal relations. One of the matters that the Family office team identifies and articulates is the preferential purchase option if one of the children at some point wants to sell his or her ownership interest.

The process results in a family constitution, which is not a legal document but rather the constitution of the ownership. Moreover, a family council is established that will meet regularly to discuss and resolve any questions and disputes.

Peace of mind and focus on development

When Hans Erik looks back on the process, he has no doubt that is was an important decision to say yes to participate in the process – for the company, for the employees and not least for his three children:

"Henrik and Jette, who are not active in the company's operations, were very curious to participate in the process. In the process, the interest in, pride in and respect of the company grew tremendously for everyone in the family. Previously, it may have been mostly dad's company, but today, it is definitely considered a joint company. This also means that we speak in one voice and that we can focus on developing and expanding, which the employees feel," Hans Erik says.

Family constitution is one of the tools that EY's Family Enterprise team offers to family-owned companies that want to secure ownership when the company is transferred and carried on from generation to generation.

About Aller Aqua A/S

Aller Aqua is a family-owned company, headquartered in Christiansfeld. The company is one of the most experienced suppliers of feed for freshwater and saltwater aquaculture and is in many ways a pioneer when it comes to markets and products. Aller Aqua exports to more than 60 countries worldwide, and in 2019, the turnover was approx. DKK 1.3 billion. The company has factories in Denmark, Poland, Germany, Egypt, China, Zambia and Serbia and has research centres in Germany and Norway.

A smooth IPO-process

After years of double-digit growth and an intense preparation process, Better Collective was listed on Nasdaq in Stockholm in 2018.

Better Collective offers affiliate marketing within online gambling and sports betting. The company owns a number of media platforms offering betting advice, analyses and content that instruct users in online gambling. When Better Collective sends new customers to a gambling provider via links integrated in its platforms, the company receives a one-off payment or a share of the revenue generated by the customers. The business model is well-known by most people from booking of e.g. hotel rooms or flights.

Today, Better Collective has more than 400 employees and offices in 9 countries. In a few years, the company has grown from a revenue of EUR 26.3 million (2017) to a current market value of approx. SEK 5.825 billion.

The founders of Better Collective are Jesper Søgaard and Christian Kirk Rasmussen, and their story is probably the closest you can get to making your childhood dreams come true.

A modest beginning

Jesper and Christian are friends in high school, and they share an interest in online gambling and sports betting. Their leap year is spent in Berlin where the two friends set up a hobby website providing tips for online gambling and betting. When back in Copenhagen, Jesper and Christian start their separate higher education while operating the website and taking entrepreneur courses at night. Over time, the website grows, and the two friends form a company. When they team up with people with knowledge on promotion and visibility on Google, the company really gathers momentum.

The next years are characterised by geographical expansion in a rapidly developing market. While many competitors focus on online casino sites, Better Collective is focused on sports betting and acquires activities – relatively small businesses with interesting activities that create value for the company.

Stock exchange listing is the objective

2015 is a milestone year for Better Collective. A strategy process is initiated, resulting in an ambitious objective to bring the company in a position where it can become listed. In terms of consultancy, the local audit firm is replaced by a competent team from EY who challenges and helps take processes and reporting to the next level.

The objective of a stock exchange listing gains further relevance in 2017 when Jesper and Christian realise that there is a need for further external financing to make larger acquisitions. They want to maintain control of the company, and thus, a stock exchange listing is in reality the only way to raise capital.

For several reasons, Nasdaq in Stockholm was chosen. Betting is a more mature industry in Sweden, and with a competitor already listed on the Swedish stock exchange, the stage is set for the investors.

Culmination of seven months' preparations

As the bell rings on Nasdaq on 8 June 2018, the securities trading can start. In the seven months prior to this day, the company has made preparations and ensured that everything was in place. The process leading up to the initial public offering runs smoothly no small thanks to Flemming Pedersen, who is the company's new CFO. Flemming has extensive experience in raising capital and listed companies, and on the consultancy side, he is supported by a hard-working team from EY who all know the company wells. It is a close cooperation focusing on reaching the finish line.

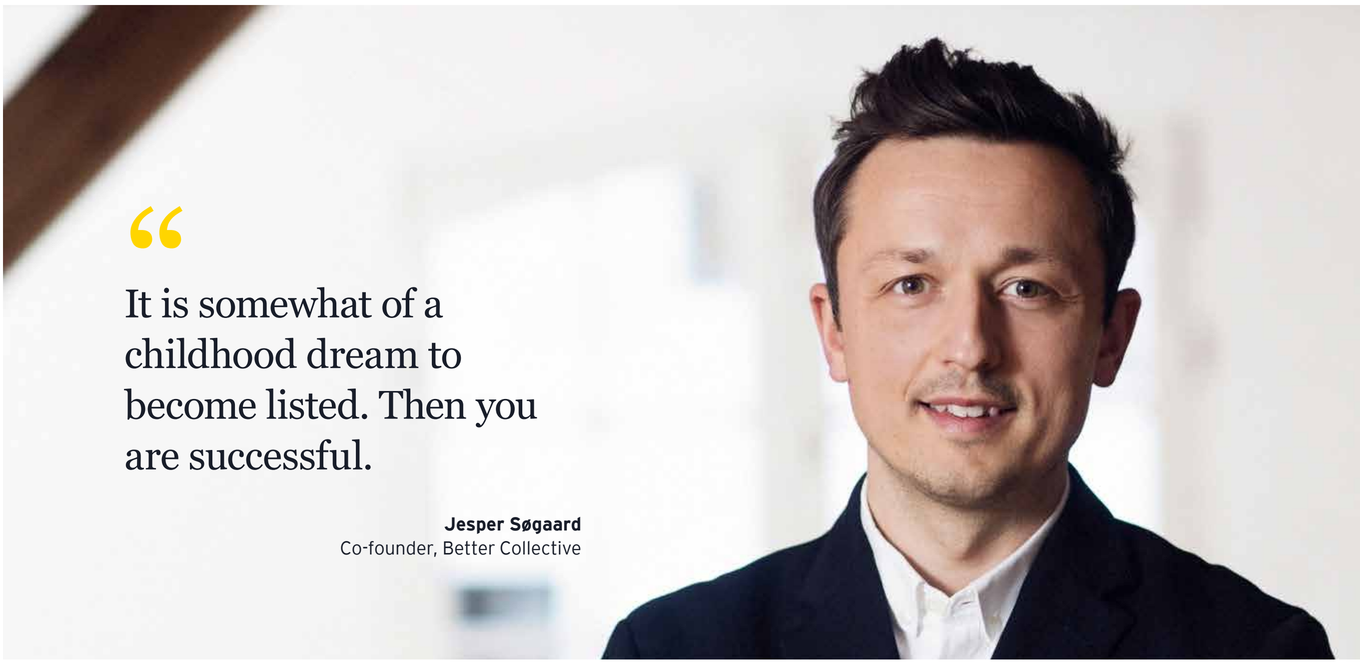
"Honestly, we were a bit fearful of the process before we started. We feared that it would be almost too much to swallow. But the process ran surprisingly well and the entire EY team delivered high-quality work," Jesper says.

New acquisitions at perfect timing

After the listing, the company continues its acquisition strategy. On 28 February 2020, Better Collective acquires the esports platforms HLTV.org and dust2.dk, which are among the most popular Counter-Strike:Global Offensive platforms. This proves to be the perfect timing for strengthening the parts of the business that do not relate to traditional sports betting. Shortly after, COVID-19 puts many large sporting events, including the Olympic Games and the European Football Championship on involuntary hold.

About Better Collective

Better Collective is a global sports betting media group headquartered in Copenhagen. The company has more than 400 employees across 12 offices around the world. Better Collective operates a range of community-based digital platforms e.g. bettingexpert.com, which is the world's biggest social network of sports betting tipsters, speltips.se and SpilXperten.dk. Better Collective is listed on Nasdaq Stockholm (BETCO).



The right solution fits the company and the situation, not the other way around

Small tax team at EY has helped Carlsberg prepare for the EU MDR directive:

Carlsberg has a clear position on tax. The global tax strategy is presented on the company's website, and considerable efforts are made to ensure compliance and observance of the tax policies in all Carlsberg's activities.

Carsten Munk Petersen is Head of Group Tax at Carlsberg. He is responsible for the global tax strategy and tax policies, and is overseeing that Carlsberg has the appropriate processes, tools, controls and measures to ensure compliance worldwide.

"Our founders believed in quality, research and giving back to society. Over the years, these values have evolved to form our purpose. It can be very difficult to always comply with current legislation everywhere in all our markets, but you can only lead with purpose, if you understand the mindset of integrity," Carsten Munk Petersen says. Given his role, he keeps close tabs on trends and new rules to ensure that Carlsberg is always complying with current tax legislation.

Preparations for the MDR directive

In 2018, the MDR directive is adopted in the EU. Directive on Administrative Cooperation 6th Amendment – abbreviated DAC6 - is the name of the EU directive that instructs intermediaries (typically advisors) or taxpayers to report certain cross-border tax arrangements to the authorities. The directive is introduced to counter so-called aggressive cross-border tax planning.

The first reporting should take place in 2020, and to ensure that Carlsberg is at the forefront of legislation, Carsten and the Carlsberg Tax Team quickly starts investigating the consequences that the directive will have for the company. Even though the directive primarily affects consultancy firms, the team assesses that Carlsberg could also have responsibility for reporting arrangements because of the broad implementation of certain countries and the possible involvement of non-EU based advisors. But how many of Carlsberg's arrangements will fall within the upcoming rules, and what share will Carlsberg have to report itself? The extent must be quantified before the appropriate set-up for Carlsberg can be determined. Therefore, the Carlsberg Tax Team contacts EY in Denmark to obtain an overview of the tax arrangements that EY has assisted Carlsberg's global organisation with.

A simple, targeted and effective set-up

The list of arrangements shows that only a limited number of Carlsberg's arrangements will fall within the upcoming rules. When the Danish EY team presents its recommendations to Carlsberg on the implementation of the MDR directive, it is therefore completely different than

> "The recommendation presented by EY was pragmatic and simple, and it was exactly what we needed.
>
> **Carsten Munk Petersen**
> Head of Group Tax at Carlsberg

the grand software-supported solution that other advisors have suggested:

"The recommendation presented by EY was pragmatic and simple," Carsten Munk Petersen says, and he continues: "And it was exactly what we needed. When only a handful of arrangements are to be reported, this should be reflected in the set-up – it should be simple, targeted and effective. We ended up going with an EY software solution, but this was only after a detailed discussion on whether we needed this or not."

Helping Carlsberg prepare for MDR

Carlsberg engages EY to assist in preparing for the MDR directive and in executing the recommended approach in close cooperation with Annette Skou Thomsen, responsible for implementation as project lead for the MDR project in Carlsberg. One of the key activities of the recommendation is training of key staff from the tax department who should be able to spot and assess an arrangement The training is tailored to the teams, and considerable efforts are made to make the training interesting and engaging to participate in.

As a small but useful gimmick, all participants get a mouse pad to take home. The custom-made mouse pad lists the criteria that the employees at Carlsberg should pay attention to when they later on assess an arrangement that may have to be reported.

With the training successfully completed, only minor preparations remain, including ensuring that all controls are in place, and then, Carlsberg is fully prepared for the MDR directive. The original effective date of the directive was 30 August 2020. However, in most countries the date has been postponed to 2021 due to the corona pandemic outbreak.

About Carlsberg

The Carlsberg Group was established in 1847 by brewer J.C. Jacobsen. J.C. Jacobsen was a true renaissance man. A believer in quality, research and serving the community, he shared his knowledge with fellow brewers. He looked to the future, prizing long-term growth over short-term gain. Over the years, these values have evolved to form Carlsberg's purpose: brewing for a better today and tomorrow. Imagination and fresh thinking are in the DNA - from the method for how to purify yeast, the invention of the pH scale and to the revolutionary sustainable Snap Pack packaging innovation.

Transforming at speed in FY20

Like in many other organisations around the world, life at EY this year changed dramatically. But we were able to adapt quickly when needed. On 11 March, EY's 16 offices in Denmark became approx. 1,700 offices as everyone started to work from home due to COVID-19. In a matter of days, EY people adapted to a fully remote working environment – leveraging technologies and tools to virtually team up and to continue to smoothly and effectively serve our clients.

Building an exceptional EY experience

At the same time, we remain focused on enabling all EY people to build the exceptional experiences they need to succeed.

Given the impact that technology has on roles and careers, EY continues to upskill and help our people develop "hot skills", such as providing over 100 different externally validated and industry-recognised credentials known as EY Badges within digital, analytics, blockchain, AI, cybersecurity, sustainability, leadership, etc.

A particular highlight was the planned launch of the EY Tech MBA by Hult International Business School – the first ever fully accredited virtual corporate MBA, which is open to all EY people.

Valuing our differences

Sharpening the skills of current employees is crucial; we also know that, as clients' needs become more complex, we need people from a broader range of backgrounds than ever before.

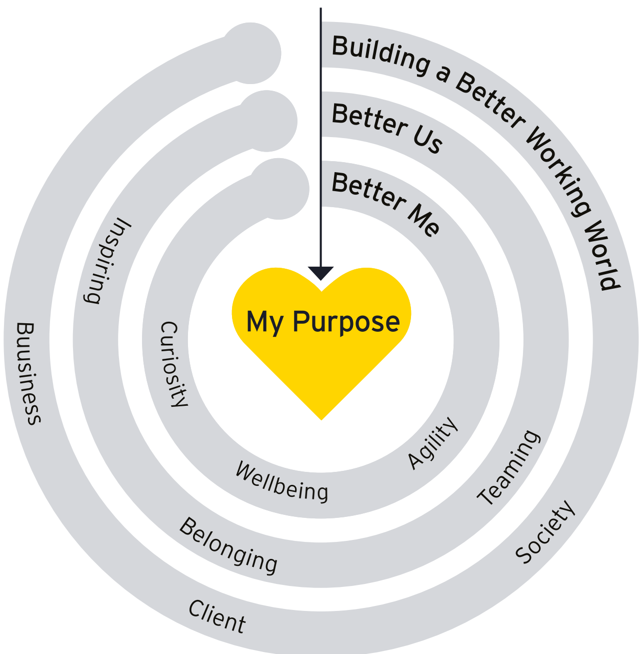
That means attracting, recruiting and retaining people with diverse perspectives and aspirations, who want different experiences. Today, EY has specialist technologists – AI specialists, mathematicians, data scientists, software engineers, product managers and UX designers – working alongside people with backgrounds in strategy, consulting, accounting, finance, law and tax. We know that, to serve clients today, we have to bring the best ideas from the broadest group of people, and we need to value differences and team inclusively to build safety and trust.

Transforming leadership at EY

All of our people are leaders, be it of themselves or of others. As part of NextWave, we recently launched our Transformative Leadership model, a set of leadership behaviours that are positively correlated to leadership effectiveness and business outcomes. Our Transformative Leadership model is a set of leadership behaviours to fuel a culture in which our people and teams thrive and inspire results. It's how we realise our personal purpose.

In EY, leadership is not a rank, it's a choice. We believe all people can be transformative leaders, and we expect all our people to show leadership behaviour, to have an opinion, dare to speak up, take charge and influence others. We believe in the power of having transformative leaders, who inspire others and build our culture.

Transformative leaders are purpose driven, in line with our values, and bring out the best in themselves and others. This is why we have enhanced and aligned our performance management and development process, LEAD, to include elements of the model. Elements include a continuous investment in one's own development and future skills rather than focusing simply on past achievements.



With EY Badges, our people can gain digital credentials in future-focused skills, such as data visualisation, data science, design thinking, cybersecurity, artificial intelligence and much more to help clients navigate what's next.

EY Badges available:
109

EY Badges initiated:
354

EY Badges awarded:
135

Total number of employees:
1,690

Average age:
34.8

Gender ratio (M/W):
59%/41%

Universum Employer Ranking 2020

Denmark, business students 2020:
12 (2019: 13)

Nordic, business students 2020:
2 (2019: 2)

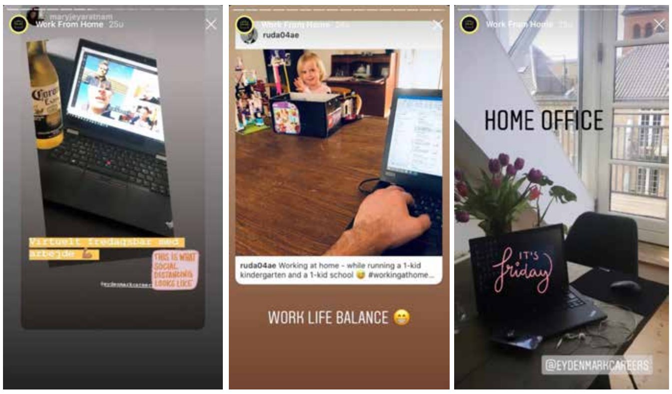
Denmark, professionals 2020:
39 (2019: 32)

Global, business students 2020:
2 (2019: 3)

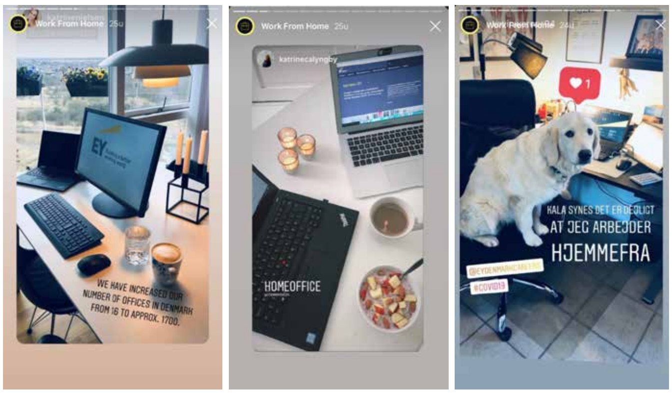
EY PEOPLE

Making work work from home

With everyone working remotely during the COVID-19 lockdown, we quickly took steps to ensure that our people stayed motivated, engaged and healthy while being at home. Measures included more frequent communication and closer dialogue between junior and senior people to ensure knowledge sharing and sparring, increased flexibility for those balancing childcare at home and work, online yoga and Pilates sessions to join from home, recommendations for good ergonomic working conditions, engaging employees' children in drawing competitions and much more.



Making work work from home...



Sharing Instagram home office inspiration

Moving from 16 to approx 1,700 offices overnight...

Finding the work-life balance

EY PEOPLE

A career path pursuing my personal ambitions

Following 6 years of working with audit and accounting, Simone Skovgaard became part of EY as a Manager in Assurance in November 2019. She is currently pursuing her goal of becoming a state-authorised public accountant.

Why did you choose to join EY?

To me, EY's culture is what makes us stand out. I am encouraged to pursue my personal interests and ambitions to move my career in the direction that I want. Whether I want to focus on large or small clients or whether I want to develop my leadership skills or specialise in a certain area of expertise, I feel there is room for individuality and a variety of interests. EY has been great at creating space and allowing for personal priorities.

At the same time, I enjoy being part of a team with many different backgrounds. It ensures the right team dynamics. I also feel the international atmosphere of EY when I work closely with expat colleagues in Copenhagen and with colleagues in other countries on global assignments.

How is EY as an employer positioned to fulfil your personal goals?

At EY, I have experienced a career path where we discuss and plan for both my short-term and long-term goals. It has helped me stay on the right track and make the choices that are the right ones for me. This helps me stay engaged and motivated, even when we face tough deadlines.

Simone Skovgaard
Manager, EY Assurance in Copenhagen
Cand. Merc. Aud. and part of EY's program to become state-authorized public accountant.

EY PEOPLE

Building a career with global perspectives

Malte Søgaard, Senior Manager in EY Tax & Law, lives and works in New York as part of an international assignment. From the EY office at 5 Times Square (or rather from his home office in Brooklyn Heights), he advises colleagues and clients on tax policy and cross-border transactions as part of the Global Tax Desk.

Malte Søgaard
Senior Manager in EY Tax & Law.
On assignment in EY's office in New York.

Q Why did you pursue an international assignment in EY's office in New York?

Personally, the thought of working abroad has always appealed to me and my family, and on the professional side, I was drawn to the idea of working in one of the world's most dynamic and competitive cities, and to test my abilities with tax colleagues from all over the world.

Q What kind of assignments or projects are you involved in?

Cross-border solutions and global perspectives are elements that permeate all assignments and projects that we work with. We have been heavily involved in monitoring and describing the tax policy changes that have been presented in response to the COVID-19 crisis and advising on and coordinating cross-border transactions. As the tax desk for all of the Nordics, we ensure that all advice is integrated, covering all country-specific aspects and nuances.

Q What has been the biggest change or learning experience so far?

It is a satisfying experience to participate in projects that, time and again, demonstrate the power of our global organisation, and more often than not, being in New York puts you at the centre of such projects. When we as an international network come together, we can really add value to our clients, and as part of the Global Tax Desk, we have the privilege of assisting the network every single day.

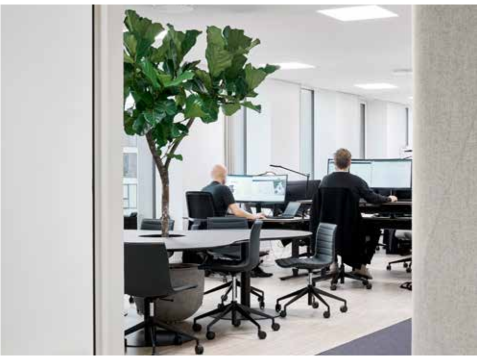
Q How will this secondment help build your future career?

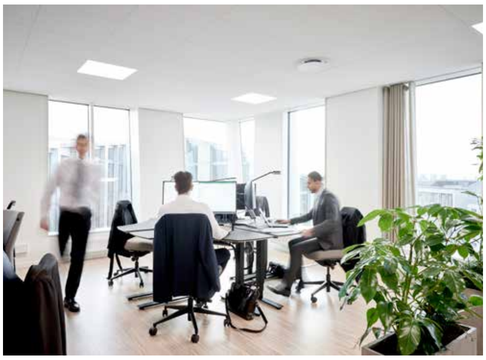
I am certainly improving my professional skills and expanding my professional network, both internally towards colleagues with various backgrounds as well as externally towards clients and other stakeholders. Also, a deep dive into US tax law with the US continuing to be a growing economy and important trading partner is not a bad add-on.

EY PEOPLE

EY@Work is the evolution of our workplace ...

... and the evolution of the way we work





At the end of November 2019, EY Denmark moved to a new head office in Frederiksberg just across from our former domicile close to Flintholm Station.

Our office philosophy, EY@Work, has influenced the design of the workspace to create a flexible working environment for our people. Also, many of our existing EY offices have been updated and adapted to reflect an increased focus on flexibility and collaboration.

EY@Work is our vision for how EY will work now and into the future to attract and retain the best talent. It provides energising and efficient workspaces, supported by current technology, which enables our people to work fluidly both in and out of the office.

What is EY@work?

- The office is "an" environment and not "the only" environment in which employees are able to work.
- Working environment includes a variety of spaces and furniture that adapt to the needs of the users.
- EY people can choose which work setting to use when in the office based on the work being done.
- Technology supports in-office and out-of-office mobility and transition between work settings.

Work is not a location. It's not where you work, it's how you work and what you are working on!

Bringing our purpose to life

Building a better working world is EY's global purpose and the foundation of our business model, ensuring we remain at the forefront of stakeholder expectations.

In addition to what we do every day, we also believe that business has a role to play to help tackle some of the world's toughest challenges.

This commitment is deeply rooted in our employees' engagement and everyday actions to bring EY's purpose to life, and we want to deliver true impact in terms of building a better working world through these three pillars that frame how we report on sustainability:

Building a Better Working World

Markets	People	Communities
Serving the public interest	Creating the highest performing teams	Applying EY skills through corporate volunteering
Operating responsibly	Ensuring diversity and inclusion	Protecting the environment and climate

Be at the forefront of stakeholder expectations

Serving the public interest

Focus on quality

The role of EY auditors is to serve the public interest and provide confidence to the capital markets by providing highquality audits.

EY is a strong believer in the multidisciplinary model — the skills and knowledge of EY people in other service lines provide the versatility and depth of technical skills and industry experience necessary to deliver high-quality, complex audits.

We are subject to regular ordinary quality control by the Danish Business Authority (in Danish: Erhvervsstyrelsen) as well as regular internal quality controls by EY globally.

We refer to our Transparency report for further information about our commitment to Sustainable Audit Quality, our professional values, internal quality control system, audit quality reviews and external quality assurance review.

Strong quality functions

An essential way in which EY manages risks and serves the public interest is to work continuously to improve the quality of all EY services.

Across our service lines, there is investment in recruiting, training and retaining highly qualified people in their respective disciplines. There is also investment in strong Quality functions and Professional Practice functions across geographies to advise, support and enable EY people, and to implement quality initiatives to a consistently high standard around the world.

MARKETS

Operating responsibly

Adhering to the highest ethical standards

EY strives to adhere to the highest ethical standards, including in relation to protecting human rights, upholding international labour standards, protecting the environment, and opposing bribery and corruption in all its forms. We are committed to integrating the United Nations Global Compact (UNGC) *Ten Principles and the UN Sustainable Development Goals (SDGs)* into EY strategy, culture and operations.

Human rights and labour

All EY services play an important role in serving the public interest, promoting transparency, managing regulatory responsibilities and supporting investor confidence and long-term, sustainable economic growth.

The EY Global Code of Conduct is a clear set of standards for business conduct and applies to everyone at EY, regardless of individual role, position or practice. It reflects our culture based on the EY values and purpose.

EY cannot and will not tolerate behaviour that is in violation of its professional standards or inconsistent with the EY Global Code of Conduct. Examples of such behaviours include discrimination, unethical practices, financial misconduct, deliberately jeopardising quality of work or failing to adhere to EY policies.

The Code was revised this year to reflect advancements in technologies and how we use them, to reinforce the importance of upholding the Code and to update the resources available to EY people to support decision-making.

At EY, we also recognise that our commitment to the UNGC Ten Principles and to advancing the SDGs extends to the suppliers we work with.

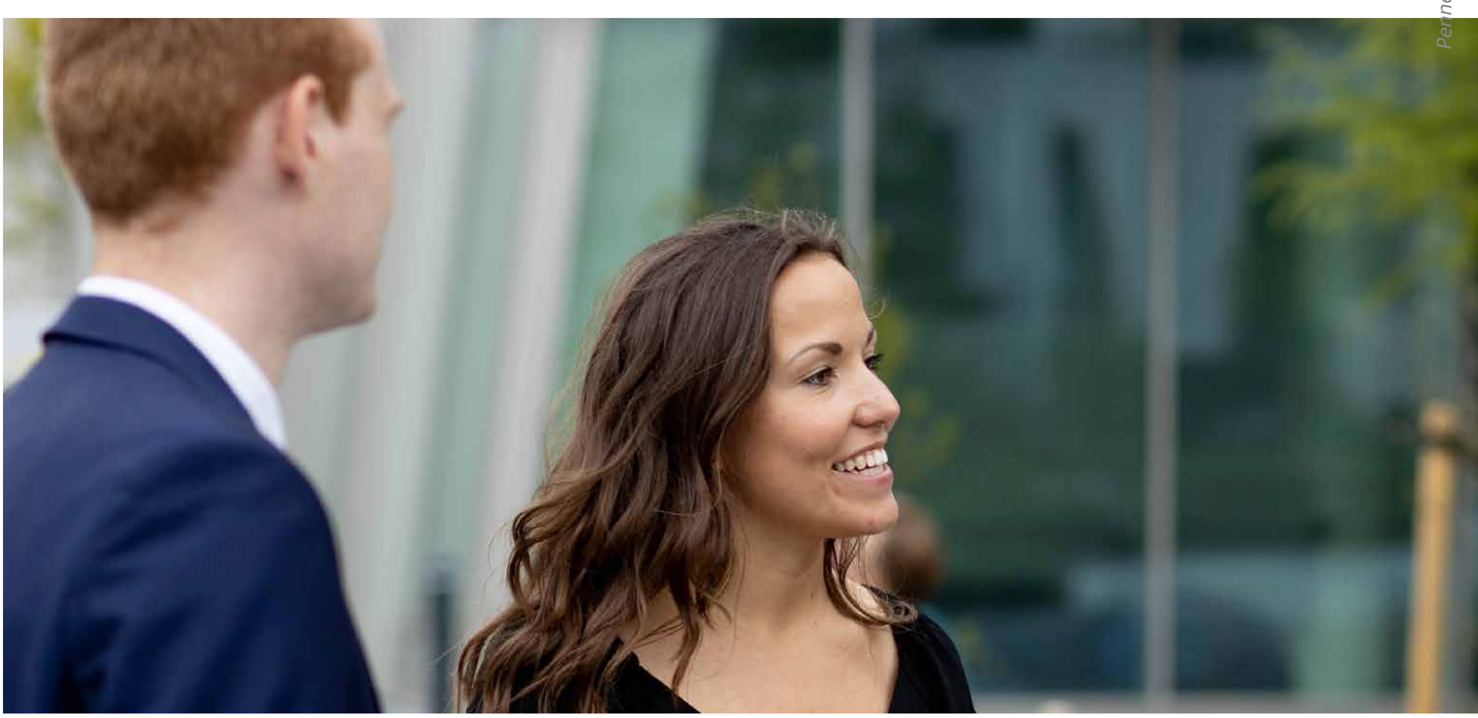
Just as the EY Global Code of Conduct sets out the standards of ethical behaviour expected of every EY person, the EY Supplier Code of Conduct does the same for EY suppliers.

The EY Global Supplier Code of Conduct (pdf) outlines expectations regarding issues including human rights, modern slavery and child labour, and suppliers are asked to verify their adherence and standards at the RFP stage (and reaffirming at the time of contract execution). Suppliers and their supply chains represent the primary risk within human rights.

All main suppliers for EY in Denmark are required to sign our Supplier Code of Conduct, and everyone did so in FY20.

Anti-corruption

EY is committed to the fight against corruption in all forms and, to affirm this, has established a Global Anti-Bribery



& Corruption policy accompanied by an anti-corruption compliance programme. We anchor anti-corruption measures across EY, and partners and employees are obligated to complete yearly training. At least once a year as part of EY's procedures, all EY professionals and certain other people, depending on their role, confirm that they comply with EY's independence policy and procedures. All EY professionals and partners have confirmed to comply in FY20. Our policies and training help avoid any non-compliance for EY people.

A steadfast commitment to tackling corruption is not only embedded in globally consistent policies and practices, including mandatory training on anti-bribery and corruption, but in the services we offer EY clients.

For example, EY Assurance teams help clients strengthen their integrity and compliance frameworks; throughout EY, we have invested in analytics solutions to help clients quickly sift millions of lines of data in order to highlight anomalies. And EY blockchain solutions help transfer data, currency and other assets in an efficient, trustworthy, transparent and secure way.

Risk Management

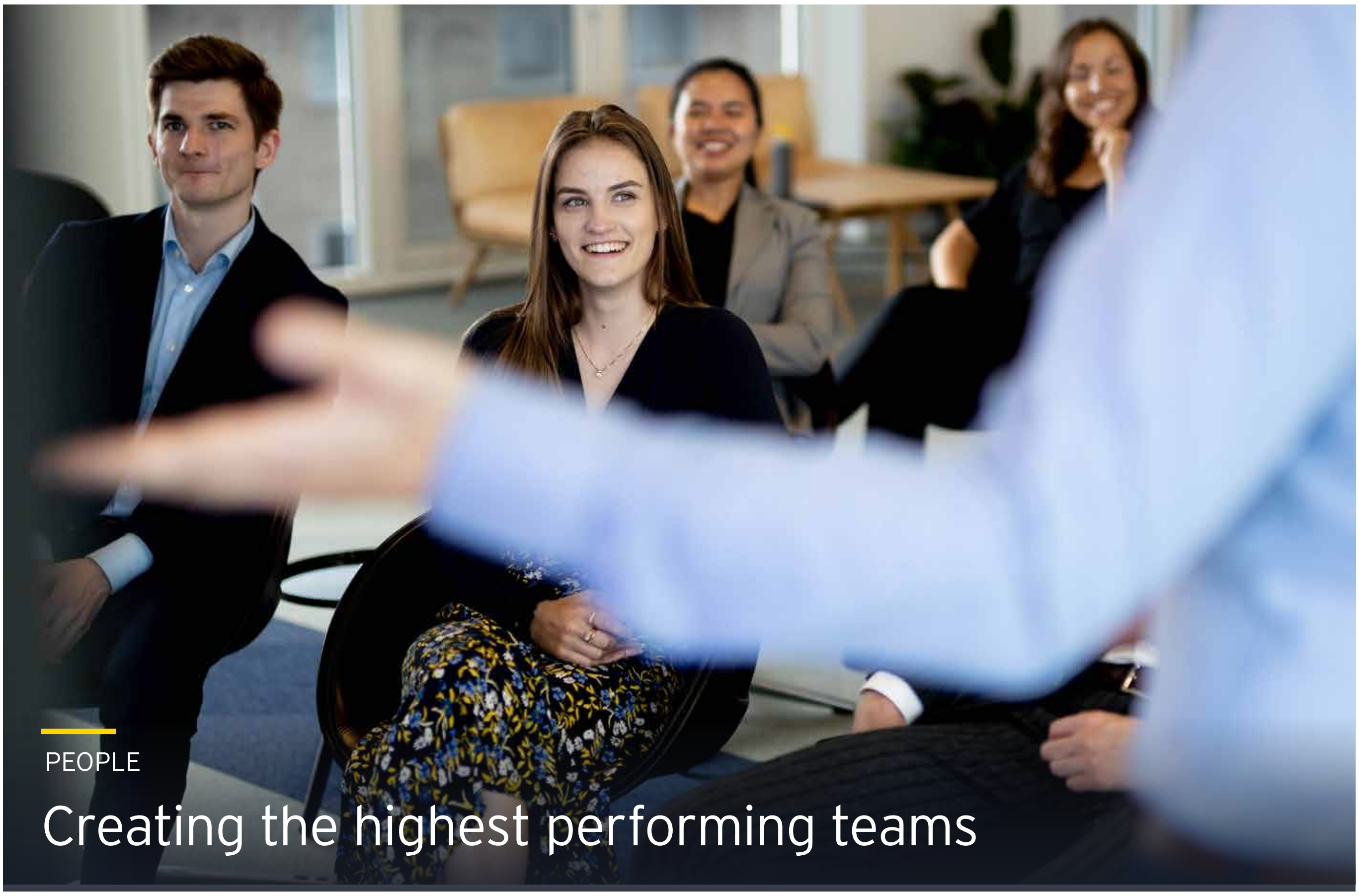
Internally, EY risk management teams work across the organisation to help identify, monitor and manage risk and enable EY professionals to meet their compliance obligations efficiently and effectively.

They also give EY people the processes, tools and knowledge to take on the right opportunities; pull together the right teams; and offer EY clients the broadest range of services in accordance with EY's commitment to objectivity and independence.

Risk management underpins sustainable business practices and relationships and ultimately helps clients innovate and build value and trust with their stakeholders through EY services.

An important element of risk mitigation and management in EY is data protection and information security framework. We protect information assets, personal data and client information, through their creation, transmission and storage, in accordance with the requirements of applicable laws, regulations and professional standards.

Independence is also an integral part of the EY Global Code of Conduct. Each of us is responsible for our own personal independence and the independence of EY. We are mindful of our own personal financial interests and EY relationships with clients.



PEOPLE

Creating the highest performing teams

At EY, it is our people who deliver exceptional client services. It is our people who make EY a great place to work and have successful careers. We want to inspire and motivate our people, not only through learning, experience and coaching, but also by building strong relations and lasting networks across service lines and countries. This helps them form a lasting foundation for successful career, development and growth.

In August 2019, we welcomed 143 new hires in Denmark. They all participated in a two-week onboarding event for graduates — the Nordic Induction Program. As in previous years, one of the weeks took place in Toledo, Spain. Our intensive introduction programme helps our new graduates get the necessary professional training, learn about EY values, vision and culture and start to build professional networks across EY in the Nordics. To meet the high expectations of our ambitious new joiners, the programme is delivered by more than 100 talented EY instructors from junior to partner level.

Developing the skills of the future

In today's quickly changing world, it's more important than ever for EY people to never stop learning. We invest in our people to help them build the right skills and experiences. Staying relevant keeps them ahead in the market and drive delivery of exceptional client service, helping our clients to have sustainable and inclusive growth.

Today, we have a unique opportunity, by mixing virtual and traditional learning, to create new, hybrid learning experiences across new technological mediums. In FY20, we provided our people in Denmark with 51,302 hours of formal internal learning. Moreover, our people also receive external training, complemented by coaching. The total learning investment in FY20 amounted to DKK 24 million.

We are increasingly investing in e-learning, and this year, 78 different formal courses have been rolled out in a virtual format. On top of this, we have provided access to 109 externally validated and industry-recognised credentials, known as EY Badges. EY Badges are awarded at bronze, silver, gold and platinum levels, covering industry sectors, digital, analytics, blockchain, AI, cybersecurity and transformative leadership. Our Danish employees were awarded 135 EY Badges in FY20 through this online learning platform. At EY, formal learning is the baseline, complemented and enhanced by coaching, mentoring and the right work experiences. All professionals get a minimum of 120 learning hours during a three-year period and the necessary number of hours needed to obtain and keep their professional certifications.

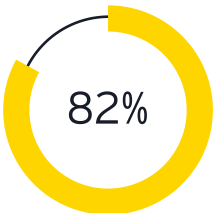
Finding the right work-life balance

Achieving the right work-life balance can be a significant challenge in today's society. We work to build resilience and support our people and leaders in achieving greater balance between career and private life while minimising stressful working situations.

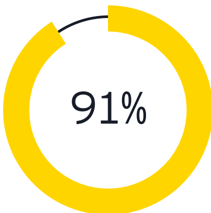
We carry out the required workplace assessment (APV) and define focus areas for both health and for our physical and physiological work environment. We compare each focus area with results from our Global People Survey to make sure that we always define the right actions and areas for improvement.

This year due to COVID-19, we chose to replace our yearly Global People Survey with two shorter surveys to allow for more flexibility in questions and timing and at the same time stay updated on our people's well-being during lockdown and working from home.

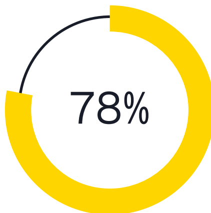
In the end of March, we asked how the situation was affecting our people, and this is what they told us:



I feel supported to work where and when I need to in order to manage my work and personal responsibilities as a result of COVID-19

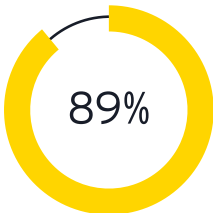


EY is communicating effectively about the impact of COVID-19

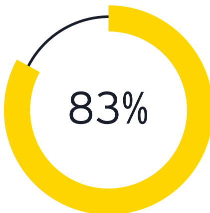


I have the right tools and technology to work productively and collaborate remotely

In the end of May when most of us were still working from home, we followed up with another survey focused on how our employees were coping with working from home, and here we saw an improvement in how people were coping with working remotely. Our people told us that:



I am able to work well in my current remote environment



I am comfortable to continue to work remotely for the foreseeable future

We took a series of initiatives to ensure closer dialogue and frequent contact within each team to increase the sense of belonging and teaming, both socially among colleagues and in our work to deliver client projects.

We continue to have close dialogue with all employees and among our many teams across the business to sense people's engagement and motivation.

Ensuring diversity and inclusion

Building a diverse workforce

Our global Diversity and Inclusion Policy, reinforced by our inclusion and antidiscrimination global policy, continues to strengthen our commitment to creating an environment where differences are valued.

With a diverse workforce, we are better equipped to utilise the power of different opinions, perspectives and cultural references, which will help us set the highest performing teams. At EY, we see diversity and inclusiveness as a vital factor to our business and growth, and we recognise that we have a particular challenge when it comes to attracting and retaining female professionals and leaders.

We know from our recruitment statistics in Denmark that we hire 50/50 men and women for our more junior ranks. But at senior levels, we see fewer women, and we work to overcome the challenge of retaining our female employees long enough for them to make it to partnership.

We measure the share of women among partner promotions. In FY20, four people were promoted to partner level. However, this year none were women. In spite of the activities we have in place, this year we have not seen the desired effect, which accentuates the need to strengthen our efforts. Our goal for the coming years is that 30% of partner promotions are women.

Our overall goal is to have 25% female partners in 2025 in EY in Denmark.

Our supreme management body, our Supervisory Board has 60% women. As a partner-driven firm, we define our partner group as other levels of management. This year, however, our share of female partners has decreased slightly to 8% (from 9% last year). To ensure the optimal foundation for partner promotions among women and a strong pipeline of talent, we continue to work long term to ensure more women at all levels of our organisation, and we are looking more closely into our various actions and programmes to ensure progress in this area. In our ranks below partner level, we maintain the level or see an increase this year. The share of women among Associate Partners is 23% (maintaining level), and the share of women among Senior Managers is 29% (up from 28%).

We have several activities in place to build a more diverse workforce, including steps to increase the share of women in leadership. Some of these include:

Stronger process for parental leave and re-entry

Balancing family and work can be challenging, and we seek to ensure a strong process for re-entry after maternity/paternity leave, which experience shows us is a difficult transition, especially for women. We have set up conversation guides that include suggested conversation topics, such as workload and tasks, ambitions and suggested times for follow-up conversations. We have set up dedicated Skype calls to share relevant data and inspiration for improving conversations between employees and their counsellor and manager.

We also offer employees returning from maternity/paternity leave the opportunity to work 30 hours for the first two months without any reduction in salary.

Inspiring more women

Some of the programmes we had in place in FY20 to help future female candidates reach their full potential and guide them through the transition from being a student to becoming a young professional include:

	FY20	FY19
Share of women in EY in Denmark	41%	42%
Share of female partners in Denmark*	8%	9%
Share of female associate partners in Denmark	23%	23%
Share of women in Executive Board of EY in Denmark	0%	0%
Share of women in Supervisory Board of EY in Denmark	60%	66%

* The calculation of the share of female partners is based on the combined number of partners incl. partner promotions taking effect 1 July 2020.

- "Women in Consulting – Your Mentorship Programme", which aims to inspire more female students to choose a career in management consulting through quarterly meetings, social events and mentoring. In FY20, 13 mentees were paired with a female mentor from EY's Consulting who matched the mentees' background and development wishes. For FY21, we expect to offer this programme to 17 young women.
- "Women in Transactions", which focuses on physical activity and networking. For FY20, we met our goal of having 24 female mentees who are recent graduates or students.

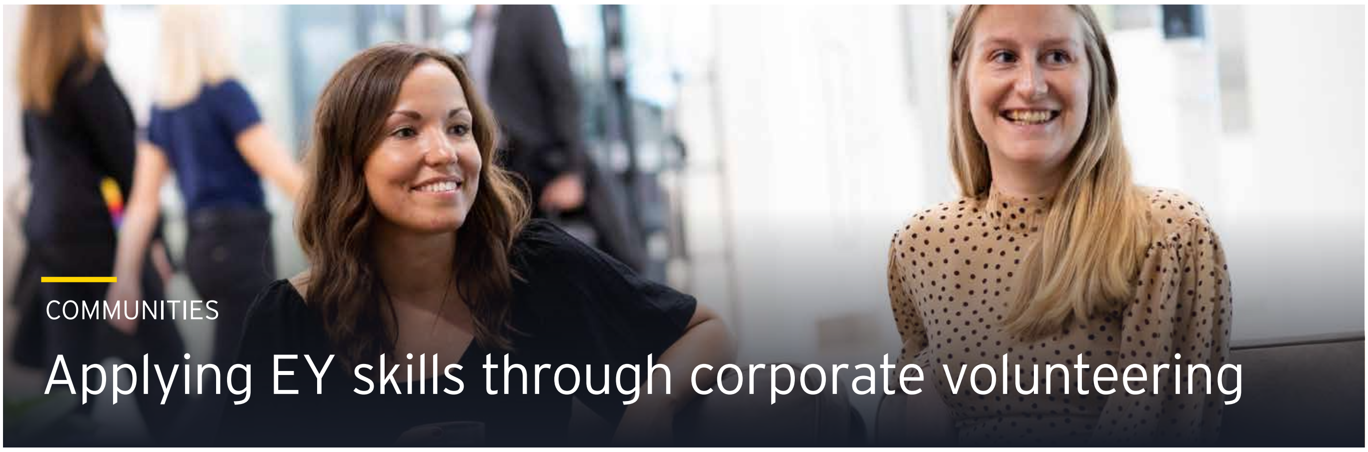
Zero tolerance for unethical behaviour

Unethical behaviour – even by a few – has a negative impact on our culture, reputation and attractiveness as an employer as well as our credibility as a service provider.

EY has a zero tolerance for unethical behaviour, and sanctions will mirror the gravity of the offence.

At EY, all partners and employees have a personal obligation to speak up if they ever observe behaviour that they believe does not live up to the principles in our Code of Conduct, and the Leadership team will act on any reports based on legitimate concerns that should be investigated.

One case is one too many, but our concern is also the cases which we may not learn about. This is why we communicate about our policies and how to report incidents as well as offer training for our people and leaders. We have also established a Nordic Ethics Board who handles reports.



COMMUNITIES

Applying EY skills through corporate volunteering

Using our core business capabilities to make a difference

In December FY20, we launched EY's global corporate volunteering programme, EY Ripples, in the Nordics.

We've created EY Ripples because we believe business has an important role to play in tackling society's toughest challenges and to foster sustainable inclusive growth.

Similar to our local predecessor programme, Volunteering at Work, EY Ripples mobilises EY people, tapping into our unique skills and knowledge to achieve a long-term vision: to positively impact one billion lives by 2030.

Through EY Ripples, we apply our skills and experiences where they can make the biggest difference – we use our skills in new contexts, take on stretch assignments and practice broader competencies than might typically be required in our day-to-day roles. EY Ripples is focused on supporting the next generation workforce, working with impact entrepreneurs and accelerating environmental sustainability. We believe these are the best ways to use our skills to help overcome the biggest challenges facing our planet – as framed by the UN Sustainable Development Goals.

For FY20, our goal was to engage 5% of our people in volunteering projects. However, with the corona virus and lockdown in the spring of 2020, we had to cancel or put initiatives on hold, while we managed to convert other initiatives to an online format. This disruption of the programme meant that we only managed to engage 2.3% of EY's people in Ripples activities in FY20 giving 292 hours of our time to projects supporting our three focus areas. For FY21, we maintain the 5% target.

Supporting students' start-up ambitions

One of the partners in EY Ripples is the Danish Foundation for Entrepreneurship (Fonden for Entreprenørskab), the national knowledge centre and focal point for the development of entrepreneurship teaching at all educational levels. Among other things, EY employees have volunteered to be judges for the competition Danish Entrepreneurship Award, which is Denmark's largest idea event for students and The Start-Up Programme, which is a unique entrepreneurship programme for educational institutions. The latter was successfully converted to an online event where EY's skills were leveraged in the judging panel as well as for online sparring and coaching sessions with the students before and after the event.

At EY, we believe a better working world is one where everyone can contribute to and share the benefits of economic growth.
Today, this is far from being the case. When we look at the world around us, we see broad societal challenges everywhere. The UN Sustainable Development Goals (SDGs) address these issues.

We've looked at what we're distinctly positioned to provide in pursuit of the SDGs. As one of the world's most trusted professional services organisations, we know that the collective skills, knowledge and experience of EY people can be an invaluable resource and that we can help make a difference by extending the value of EY knowledge to people and places we might not otherwise reach.

We have chosen three areas of focus in which EY people and networks can use their skills and experience through our corporate volunteering programme EY Ripples:

- Supporting the next generation workforce
- Working with impact entrepreneurs
- Accelerating environmental sustainability

All EY Ripples initiatives must align with one or more of the UN Sustainable Development Goals.

Helping Kwera closer to its mission of financing higher education for students in Malawi

"Kwera" means to climb in Malawi, and it describes the basic idea of the Danish social enterprise Kwera – getting more people to climb the educational ladder. Founded in 2017 by Jimmy Scavenius, Kwera is on a mission to finance higher education for young people in Malawi and has already taken the first steps toward this goal by seeing the first students graduate from university. Ready to take the organisation to the next level, Kwera was looking for help to scale up its financial systems and support models to be able to deliver high-quality information to potential investors and sponsors.

As part of EY Ripples, a group of EY professionals helped develop a new ERP and budgeting system, a financial forecast model and a funding model for Kwera.

"It has been incredibly rewarding to be able to put my skills to work to bring Kwera one small step closer to its fantastic ambition", says Anders Brix, director, FSO Consulting in EY.

"This project is a great example of the value we bring when we team up across competency areas in EY. I feel proud of what I have helped achieve", says Kasper Christensen, manager in EY NetSource.

Kwera's founder and CEO, Jimmy Scavenius, says: "With drive and commitment from all EY personnel assisting Kwera, we have now prepared a new, professional Company Presentation for further fundraising as well as initiated the process of setting up new bookkeeping and forecasting systems for our operations in Denmark and Malawi. We feel EY's passion for making a difference for the youth in Malawi. EY's professionalism and high standards make us stand out."

About Kwera

Fewer than one percent of young people in Malawi get a higher education, which hinders development in the Southeast African country and keeps it in poverty. But since 2017, with its self-sustaining model, Kwera has secured financing for higher education for young Malawians.

Violla Chilemba, student at Malawi University of Science and Technology, and Richard Malaka, student at Lilongwe University of Agriculture and Natural Resources

Protecting the environment and climate

As a professional services firm, our environmental footprint is relatively low. Even so, we seek to incorporate climate and environmentally friendly decisions in all our ways of working and continually seek new ways to minimise our impact on the environment and climate.

To meet our environmental ambitions, our largest canteen serving 500 people on average a day only serves plated meals, which has reduced food waste by nearly 60% and meat consumption by 25% compared to FY19. More than 30% of raw materials, vegetables etc., are ecological, and we mainly use local produce.

Throughout the day, EY people drink a lot of coffee, and we collect all coffee grinds from our Copenhagen office, approx. 250 kg per month, to ensure it can be reused for mushroom farming. We have also removed all single-use plastic in Copenhagen, which is a reduction in waste of 2.1 tonnes this year alone. In some locations, we still have single use products but made of reusable materials.

Reducing our emissions

Our office buildings and business travels, mainly by air, are the primary contributors to EY's carbon footprint, and thereby global climate change. Since FY19, we have reduced our CO_2 emissions by 31%. A significant contribution to this reduction is a decline in air travel, but the move to our new energy-efficient office building in Copenhagen in November 2019 also helped lower our energy consumption.

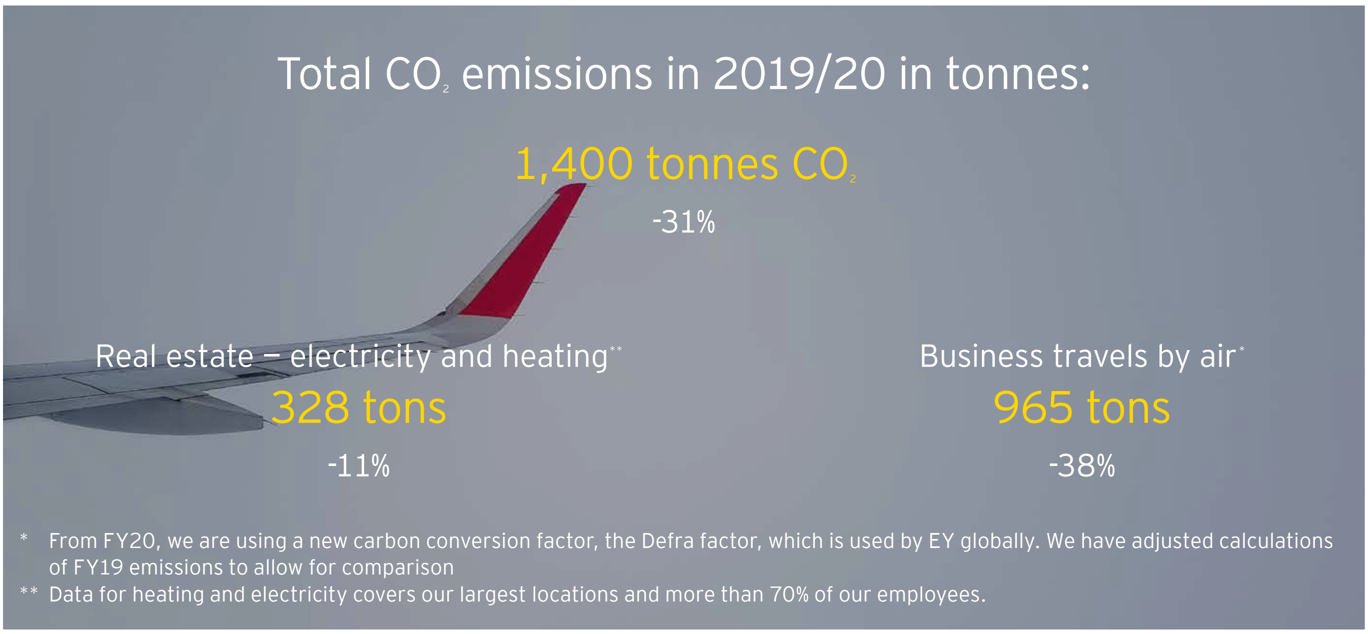
We have managed to reduce emissions from heating and electricity (mainly cooling) in our office buildings by 11%, despite the fact that we have had double consumption of electricity during construction of the new building in Copenhagen. Of course, moving to a smaller building in November also lowered our energy consumption. During lockdown due to COVID-19 in the spring 2020 we were also able to reduce our energy consumption. At the same time, solar panels on our new building in Copenhagen have helped us reduce consumption by 4.4%.

Emissions from air travel have declined by 38%, mainly due to COVID-19 and travel restrictions.

While our globally connected work for clients usually requires travelling to some extent, we very quickly saw how effective the transition to working virtually could be, when the lockdown of Danish society happened.

Having the technology, tools and experiences in place already, EY adapted almost overnight to working from home and engaging virtually with colleagues and clients. This smooth transition has brought us valuable experiences on how to deliver our services in new ways and from a distance, and we plan to develop these experiences further, which expectedly will also mean a stable, lower level of air travel in FY21 and going forward.

We aim to maintain the FY20 levels for air travel in FY21.



* From FY20, we are using a new carbon conversion factor, the Defra factor, which is used by EY globally. We have adjusted calculations of FY19 emissions to allow for comparison

** Data for heating and electricity covers our largest locations and more than 70% of our employees.

CORPORATE RESPONSIBILITY

New sustainable EY headquarters

EY moved into our new Copenhagen headquarters in November 2019. The 8,300 m^2 building with facades of ground glass, steel and aluminium is sustainability certified according to the international DGNB standard and has received a gold certification. This means a high focus on employee well-being, healthy indoor climate, sustainable materials, as well as a low energy consumption. At the same time, solar panels on the roof contribute to a reduction in our energy consumption.

Inside the climate-friendly building where approximately 1,000 people work, the environment is top of mind in the many solutions offered to employees. This includes eliminating all single use plastic, waste sorting and food waste reduction, reducing meat consumption in the canteen and an increase in the use of ecological and local produce.

At the same time, we have quadrupled the parking for bicycles and offer fitness and other training facilities for employees.

In order to make sustainable construction applicable in a practical manner, measurable and thus comparable, the DGNB has developed its own certification system. The system was first introduced to the market in 2009 and has been continuously developed since then. It is now not only considered the most advanced in the world, but is also internationally recognised as the Global Benchmark for Sustainability.

EY moved into our new Copenhagen headquarters in November 2019. The 8,300 m^2 building with facades of ground glass, steel and aluminium is sustainability certified according to the international DGNB standard and has received a gold certification.

EY ENTREPRENEUR OF THE YEAR

Opportunities in adversity

EY Entrepreneur Of The Year is a unique global programme that supports entrepreneurs as they unlock their ambitions by recognising entrepreneurial achievement among individuals and companies that demonstrate vision, leadership and success. They work to improve the quality of life in their communities, countries and around the world.

Entrepreneurs make a difference. They not only have great ideas, but also the drive to make them a reality. They use their fresh thinking and hard work to create positive social change – bringing new concepts and products to market and creating jobs and wealth.

At EY, we recognise the potential of entrepreneurs. For 24 years in Denmark, we have been working with EY Entrepreneur Of The Year participants to inspire other companies as well as future generations.

In Denmark, we conduct hundreds of interviews with companies – both high-growth companies and start-ups – also with special attention to companies in life sciences and an award for Social Entrepreneurship – Future Impact. In 2020, we will strengthen our focus on companies finding new opportunities in light of the COVID-19 crisis, and we will introduce an award for companies with a strong focus on sustainability.

Recent winners of EY Entrepreneur Of The Year in Denmark:

2019: Kvadrat A/S
2018: Mobile Industrial Robots ApS
2017: Aller Aqua A/S
2016: Micro Matic A/S
2015: CASA A/S

> At EY, we are committed advocates for supporting entrepreneurship, and we believe the inspiring stories need to be told about the businessmen and women who have the passion and courage to follow their dreams, create remarkable results and contribute to our society.

Financial highlights, Group

FINANCIAL HIGHLIGHTS, GROUP

DKKm	2019/20	2018/19*)	2017/18*)	2016/17*)	2015/16*)
Key figures					
Revenue	2.083	1.952	1.832	1.792	1.655
Operating profit/loss	41	67	70	85	85
Special items	0	0	0	-96	0
Profit/loss after special items	41	67	70	-11	85
Net financials	-7	-7	-14	-42	-49
Profit/loss before tax	35	61	56	-53	36
Profit/loss for the year	33	61	56	-54	35
Comprehensive income for the year	33	61	56	-12	36
Non-current assets	404	183	187	154	1.290
Current assets	961	812	873	1.891	923
Total assets	1.364	995	1.060	2.045	2.213
Share capital	5	5	5	5	5
Equity	58	86	77	22	59
Non-current liabilities	372	70	62	130	1.220
Current liabilities	935	840	920	1.893	934
Cash flows from operating activities	322	104	-62	232	143
Cash flows from investing activities, net	-64	-15	1.028	-17	-9
Amount relating to investments in property, plant and equipment	-58	-15	-19	-18	-6
Cash flows from financing activities	-150	-99	-973	-239	-111
Total cash flows	109	-10	-8	-24	23
Financial ratios					
Current ratio	102,8	96,7	94,7	99,9	98,8
Solvency ratio	4,2	8,6	7,3	1,1	2,7
Return on equity	49,4	112,4	112,4	-134,6	116,7
Average number of full-time employees	1.534	1.550	1.540	1.473	1.426
Number of full-time employees at year end	1.488	1.533	1.558	1.591	1.563
Number of employees at year end	1.601	1.644	1.658	1.687	1.650

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines. For terms and definitions, please see the consolidated financial statements and the parent company financial statements.

*) The numbers are not adjusted after implementation of IFRS 16.

Financial performance and operating review

Principal activities

The EY Group's activities in Denmark comprise the entity EY Partnership P/S with the subsidiary EY Godkendt Revisionspartnerselskab Group.

The operating activities are carried out in EY Godkendt Revisionspartnerselskab, including its subsidiaries EY Net Source A/S and EY Grønland Statsautoriseret Revisionsanpartsselskab. The Parent Company acts as holding company without external activities. EY Partnership P/S is owned by the Danish partners.

The Group provides professional services in Denmark within our four service lines — Assurance, Consulting, Tax & Law and Strategy and Transformation. EY is an integral part of a large Nordic, European and global network.

The annual report covers the period 1 July 2019 – 30 June 2020. The annual report has been prepared in accordance with IFRS as adopted by the EU and Danish disclosure requirements under the Danish Financial Statements Act.

Financial position

In the accounting period, the EY Group realised revenue totalling DKK 2,083 million compared to DKK 1,952 million in 2018/19. The development in revenue is satisfactory, and the year's growth rate of 6.7% meets expectations. Revenue has increased in all service lines – most notably in Tax & Law and Strategy & Transformation.

Other operating income, net amounts to DKK 41 million (2018/19: DKK 87 million). This includes profit sharing etc. and grants received from EY Global for special purposes.

Operating expenses for the year, comprising other external expenses and staff costs, total DKK 2,022 million (2018/19: DKK 1,953 million). This includes staff costs totalling DKK 1,340 million (2018/19: DKK 1,258 million), which include partner remuneration. In accordance with the Danish Auditors Act, there are no external owners/investors, but all the Company's (ultimate) owners work in the Company.

The average number of employees is 1,534 (2018/19: 1,550) full-time employees.

Profit before tax amounts to DKK 33 million (2018/19: DKK 61 million). Considering the general economic development in Denmark and our industry as well as impact from COVID-19, the revenue and profit are considered satisfactory.

Cash flows for the year

Cash flows from operating activities for the year amount to DKK 322 million (2018/19: DKK 104 million). The increase is primarily attributable to the cash effect of COVID-19 rescue packages.

Balance sheet and capital structure

EY's total assets amount to DKK 1,364 million (2019: DKK 995 million), of which current assets amount to DKK 961 million (2019: DKK 812 million). Current assets primarily comprise trade receivables and contract assets as well as receivables from other related parties. Non-current assets totalling DKK 403.6 million (2019: DKK 183.3 million) is influenced by the implementation of IFRS 16.

Non-current liabilities amount to DKK 372 million (2019: DKK 70 million), which include lease liabilities and subordinated loans from partners.

Current liabilities amount to DKK 935 million (2019: DKK 840 million) and include short-term payables to the Company's partners, payables to foreign EY firms, contract liabilities, staff obligations, trade payables and other payables.

EY's equity amounts to DKK 58 million, corresponding to an equity ratio of 4.2% (2019: 8.6%). A significant part of the Group's financing comprises payables to partners or payables secured by partners by means of absolute guarantees.
If these items are included in equity, the equity ratio will amount to 28% (2019: 37%).

No significant acquisitions of activities were made during the year.

Outlook

For the financial year 2020/21, we expect growth of 5-7% growth in revenue across all service lines for the Group. Our outlook can however be significantly negatively affected due to the effects of further development of the COVID-19 outbreak.

Profit for the year in 2020/21 is expected to be at the same level as this year..

Subsequent events

No significant events affecting the annual report have occurred after the balance sheet date.

Parent Company

The Parent Company's activities comprise lease of equipment and clients. All the Company's leased assets are subleased to EY Godkendt Revisionspartnerselskab The Parent Company receives lease and license fee from EY Godkendt Revisionspartnerselskab as payment for using these. Moreover, the Parent Company provides financing to the Group. In addition, the Parent Company holds all equity investments in EY Godkendt Reviisonspartnerselskab.

The Parent Company reported a profit of DKK 44 million for 2019/20 against a profit of DKK 61 million for 2018/19. The results are affected by a decrease in other operating income. The results for the year are considered satisfactory.

Profit for the year in 2020/21 is expected to be at the same level as this year.

EY's Supervisory Board and Management Team

Supervisory Board

Torben Bender
Chair

Mona Blønd
Vice-chair

Mette Storm

Mikkel Sthyr

Carina Marie G. Korsgaard

Management team – Executive Board and service line leaders

Jan Huusmann
Partner, CEO and
Country Managing Partner
Head of Tax & Law

Jan C. Olsen
Partner, CEO
Head of Assurance

René Ravn
Partner
Head of Consulting

Søren P. Krejler
Partner
Head of Strategy and
Transactions

Company details

EY Partnership P/S
Dirch Passers Allé 36
P.O. Box 250
DK-2000 Frederiksberg

Telephone: +45 73 23 30 00
Website www.ey.com/dk

CVR no. 35 68 31 94
Established: 6 March 2014
Registered office Copenhagen
Financial year 1 July–30 June

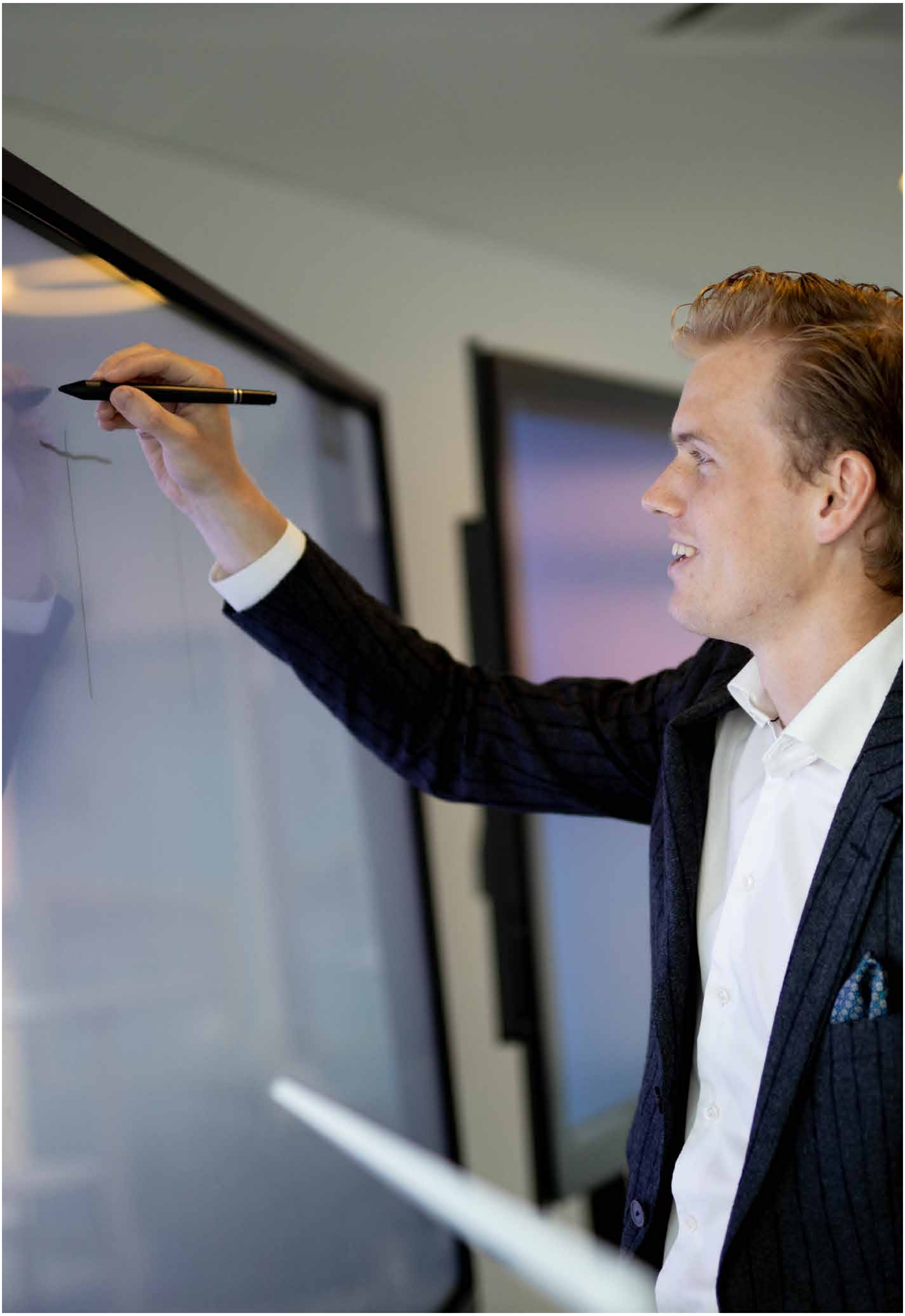
Supervisory Board
Torben Bender (chair)
Mona Blønd (vice-chair)
Mette Storm
Mikkel Sthyr
Carina Marie G. Korsgaard

Executive Board
Jan Huusmann
Jan C. Olsen

General partner
Komplementarselskabet af 1. januar 2008 A/S
Dirch Passers Allé 36
P.O. Box 250
DK-2000 Frederiksberg

Auditor
BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 Copenhagen V

Annual general meeting
The annual general meeting will be held on 20 November 2020



Statement by Management

The Supervisory Board and the Executive Board have today discussed and approved the annual report of EY Partnership P/S for the financial year 1 July 2019–30 June 2020.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements under the Danish Financial Statements Act.

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

In our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, results of operations, cash flows and financial position as well as a description of material risks and uncertainties that the Group and the Parent Company face.

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

Copenhagen, 20 November 2020

Executive Board

Jan Huusmann
CEO and Country Managing Partner

Jan C. Olsen
CEO and Assurance Leader

Supervisory Board

Torben Bender
Chair

Mona Blønd
Vice-chair

Mette Storm

Mikkel Sthyr

Carina Marie G. Korsgaard

Independent auditor's report

To the shareholders of EY Partnership P/S

Independent auditor's report on the consolidated financial statements and the parent company financial statements

Opinion

We have audited the consolidated financial statements and the parent company financial statements of EY Partnership P/S for the financial year 1 July 2019–30 June 2020, which comprise statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group as well as the Company. The consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2020 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 July 2019–30 June 2020 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 additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent foundation financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent foundation financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

Our responsibility in connection with our audit of the consolidated financial statements and the parent company financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Management's responsibilities for the consolidated financial statements and the parent company financial statements

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

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

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

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the consolidated financial statements and the parent foundation financial statements.

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

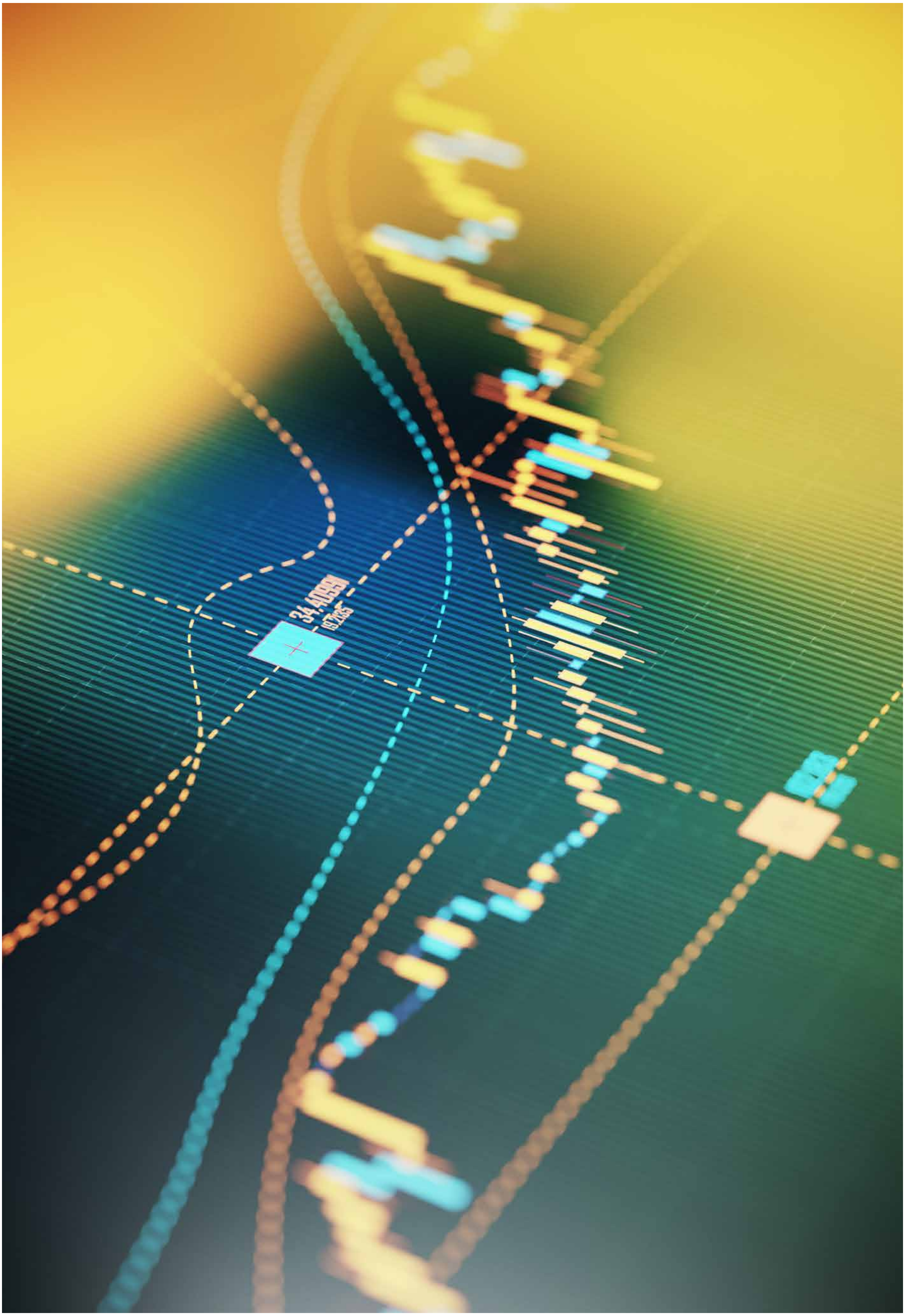
- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the note disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 20 November 2020

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70
Per Frost Jensen
State Authorised Public Accountant
MNE no. 27740



Consolidated financial statements and parent company financial statements

STATEMENT OF COMPREHENSIVE INCOME

		Group		Parent	
		2019/20	2018/19	2019/20	2018/19
Notes		DKKm	DKKm	DKKm	DKKm
3	Revenue	2.082,5	1.952,0	21,9	85,2
4	Other operating income	41,3	87,0	-	22,3
	Income	2.123,8	2.039,0	21,9	107,5
5	Other external expenses	-681,9	-694,9	-5,6	-52,5
6	Staff costs	-1.340,2	-1.258,3	-	-
7	Amortisation and depreciation	-55,7	-18,5	-0,7	-18,5
8	Other operating expenses	-4,8	-	-	-
	Operating profit/loss	41,2	67,3	15,6	36,5
	Dividends from subsidiaries	-	-	30,4	29,8
9	Financial income	0,2	0,7	4,2	1,9
10	Financial expenses	-6,7	-7,2	-6,1	-6,9
	Profit/loss before tax	34,7	60,8	44,1	61,3
11	Tax for the year	-1,3	-0,1	-	-
	Profit/loss for the year	33,4	60,7	44,1	61,3
	Other comprehensive income after tax	-	-	-	-
	Comprehensive income for the year	33,4	60,7	44,1	61,3

BALANCE SHEET

Notes		Group 30-06-2020 DKKm	Group 30-06-2019 DKKm	Parent 30-06-2020 DKKm	Parent 30-06-2019 DKKm
	ASSETS				
	Non-current assets				
12	Intangible assets	131,4	131,0	131,4	131,0
14	Property, plant and equipment	60,9	28,7	-	28,7
15	Right-of-use assets	179,8	-	-	-
15	Leasing receivables	-	-	170,2	-
16	Equity investments in subsidiaries	-	-	111,1	121,8
16	Investments in other entities	5,6	5,6	5,6	5,6
16	Deposits	25,9	18,0	25,6	17,8
	Total non-current assets	403,6	183,3	443,9	304,9
	Current assets				
17	Trade receivables	412,2	409,4	-	-
18	Contract assets	245,6	234,7	-	-
	Receivables from group entities	1,2	1,3	150,7	205,3
	Receivables from other EY firms	104,5	105,5	-	-
	Other receivables	1,6	0,5	-	-
19	Prepaid expenses	74,1	48,4	7,7	18,3
	Cash	121,3	12,3	2,0	0,2
	Total current assets	960,5	812,1	160,4	223,8
	TOTAL ASSETS	1.364,1	995,4	604,3	528,7

BALANCE SHEET

Notes		Group		Parent	
		30-06-2020	30-06-2019	30-06-2020	30-06-2019
		DKKm	DKKm	DKKm	DKKm
	EQUITY AND LIABILITIES				
20	Equity				
	Share capital	5,0	5,0	5,0	5,0
	Retained earnings	8,6	19,3	-	-
	Proposed dividend	44,1	61,3	44,1	61,3
	Total equity	57,7	85,6	49,1	66,3
	Liabilities				
	Non-current liabilities				
21	Provisions	6,1	2,3	-	-
15	Lease liabilities	199,0	-	188,4	-
	Deposits	1,1	1,1	1,1	18,9
22	Loans from the partners of the Company	85,7	66,4	85,7	66,4
23	Other non-current liabilities	80,0	-	-	-
	Total non-current liabilities	371,9	69,8	275,2	85,3
	Current liabilities				
21	Provisions	-	4,8	-	-
	Credit institutions	-	117,4	-	117,4
15	Lease liabilities	9,5	-	9,0	-
18	Contract liabilities	152,5	106,5	-	-
	Trade payables	30,5	32,1	-	-
	Payables to group entities	24,9	23,5	30,7	38,3
	Payables to other EY firms	133,6	61,5	-	-
22	Loans from the partners of the Company	239,7	221,2	239,7	221,2
	Corporation tax	1,1	-	-	-
25	Other payables	342,7	273,0	0,6	0,2
	Total current liabilities	934,5	840,0	280,0	377,1
	Total liabilities	1.306,4	909,8	555,2	462,4
	TOTAL EQUITY AND LIABILITIES	1.364,1	995,4	604,3	528,7

STATEMENT OF CHANGES IN EQUITY

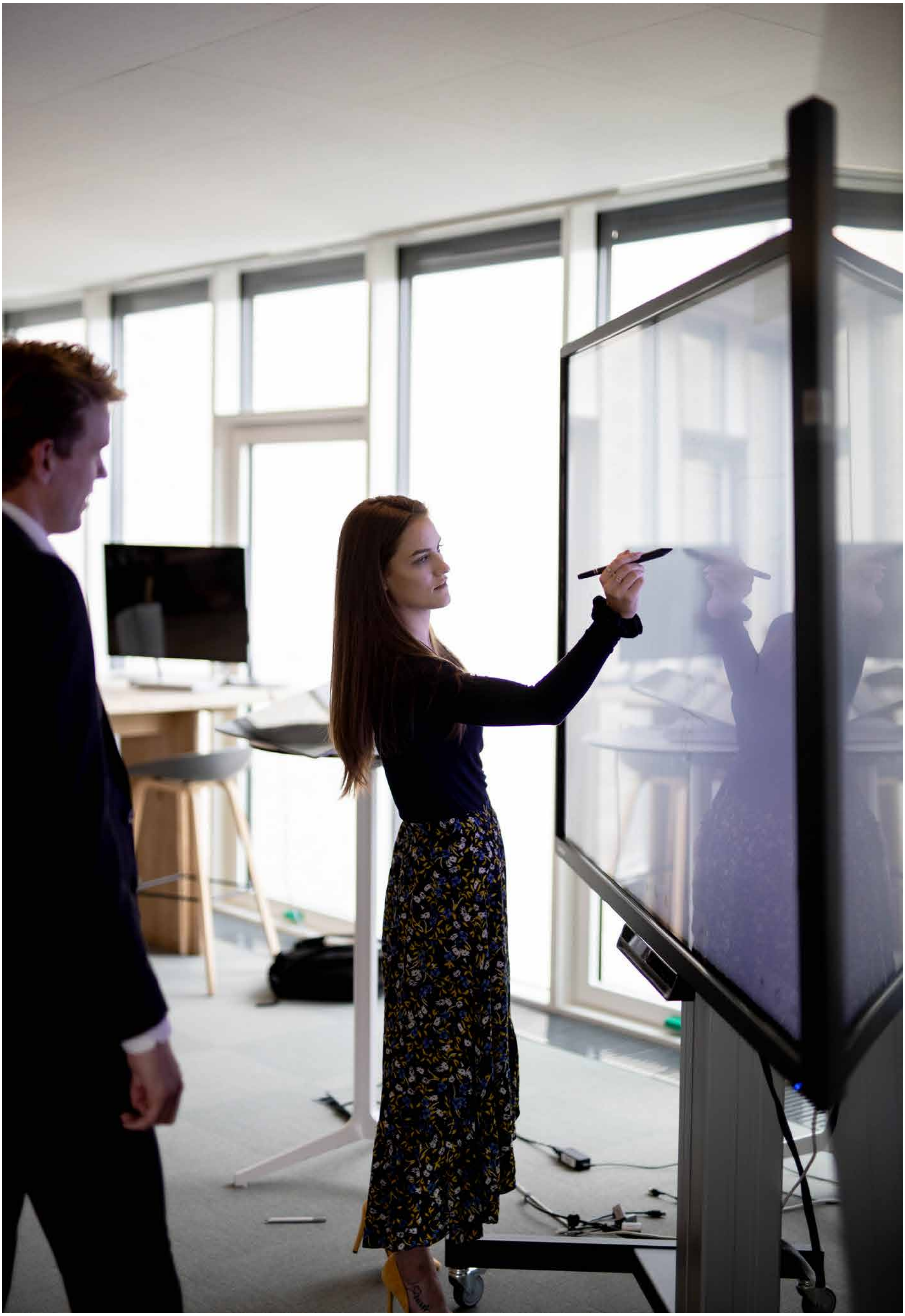
	Group			
DKKm	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 July 2018	5,0	19,9	52,5	77,4
Comprehensive income				
Profit/loss for the year	-	-0,6	61,3	60,7
Total comprehensive income for the period	-	-0,6	61,3	60,7
Transactions with owners				
Distributed dividend	-	-	-52,5	-52,5
Total transactions with owners	-	-	-52,5	-52,5
Equity at 30 June 2019	5,0	19,3	61,3	85,6
Comprehensive income				
Profit/loss for the year	-	-10,7	44,1	33,4
Total comprehensive income for the period	-	-10,7	44,1	33,4
Transactions with owners				
Distributed dividend	-	-	-61,3	-61,3
Total transactions with owners	-	-	-61,3	-61,3
Equity at 30 June 2020	5,0	8,6	44,1	57,7

	Parent			
DKKm	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 July 2018	5,0	-	52,5	57,5
Comprehensive income				
Profit/loss for the year	-	-	61,3	61,3
Total comprehensive income for the period	-	-	61,3	61,3
Transactions with owners				
Distributed dividend	-	-	-52,5	-52,5
Total transactions with owners	-	-	-52,5	-52,5
Equity at 30 June 2019	5,0	-	61,3	66,3
Comprehensive income				
Profit/loss for the year	-	-	44,1	44,1
Total comprehensive income for the period	-	-	44,1	44,1
Transactions with owners				
Distributed dividend	-	-	-61,3	-61,3
Total transactions with owners	-	-	-61,3	-61,3
Equity at 30 June 2020	5,0	-	44,1	49,1

CASH FLOW STATEMENT

Notes		Group 2019/20 DKKm	Group 2018/19 DKKm	Parent 2019/20 DKKm	Parent 2018/19 DKKm
	Comprehensive income for the period	33,4	60,7	44,1	61,3
26	Adjustments	41,6	72,9	13,2	21,5
27	Changes in working capital	253,5	-23,5	0,4	3,5
	Cash generated from operations	*328,5*	*110,1*	*57,7*	*86,3*
	Interest received	0,2	0,7	4,2	1,9
	Interest paid	-6,7	-7,2	-6,1	-6,9
	Cash generated from operations (ordinary activities)	*322,0*	*103,6*	*55,8*	*81,3*
	Corporation tax paid	0,2	0,2	-	-
	Cash flows from operating activities	322,2	103,8	55,8	81,3
	Payment of deposits	-7,9	-0,1	-7,8	0,1
	Acquisition/disposal of intangible assets	-1,1	-0,5	-1,1	-0,5
	Acquisition/disposal of property, plant and equipment	-54,7	-14,2	-	-14,2
	Changes in related party balances	-	-	102,0	31,7
	Cash flows from investing activities	-63,7	-14,8	93,1	17,1
	Changes in loans from the partners	37,8	-12,8	37,8	-12,8
	Repayment of leasing liabilities	-37,4	-	-35,0	-
	Other credit institutions	-117,4	-33,8	-117,4	-33,8
	Lease incentive received	28,8	-	28,8	-
	Distributed dividend	-61,3	-52,5	-61,3	-52,5
	Cash flows from financing activities	-149,5	-99,1	-147,1	-99,1
	Cash flows for the period	109,0	-10,1	1,8	-0,7
	Cash and cash equivalents, beginning of year	12,3	22,4	0,2	0,9
	Cash and cash equivalents, year end	121,3	12,3	2,0	0,2

Cash and cash equivalents comprise bank deposits.



Notes

Note

Note 1
Accounting policies

Group

EY Partnership P/S is a limited partnership company with its registered office in Denmark. The annual report for the period 1 July 2019–30 June 2020 comprises the consolidated financial statements of EY Partnership P/S and its subsidiaries, EY Godkendt Revisionspartnerselskab, EY Net Source A/S and EY Grønland Statsautoriseret Revisionsanpartsselskab, and the parent company financial statements.

The consolidated financial statements and the parent company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for large reporting class C companies.

On 20 November 2020, the Supervisory Board and the Executive Board discussed and approved the annual report for 2019/20. The annual report will be presented to the shareholders of Ernst & Young Partnership P/S for approval at the annual general meeting on 20 November 2020.

Lease and licence agreement of the audit and advisory business

The Group carries on advisory and audit activities. In connection with the merger of the former KPMG's and EY's Danish activities at 1 July 2014, a lease and licence agreement were entered into with EY Danmark A/S, who owns the former EY's intangible assets. The lease and licence agreement implies that EY Danmark A/S passes on the right-of-use of the intangible assets.

The Group pays consideration for the lease and licence agreement entered into between EY Danmark A/S and the Group. The consideration comprises a revenue-based lease and licence fee.

The lease and licence agreement is terminable at one year's notice and will then terminate on 31 December. The notice of termination comprises all components of the lease and licence agreement. The agreement is subject to standard termination clauses on non-performance in accordance with the lease and licence agreement.

Basis for preparation

The annual report is presented in Danish kroner (DKK), which is the functional currency of the Parent Company, rounded to million DKK presented to one decimal place.

The accounting policies described below have been applied consistently to the financial year and the comparative figures. For standards implemented prospectively, comparative figures are not restated.

A few restatements of comparative figures have been incorporated.

Changes in accounting policies

The Group has implemented the standards and interpretations effective from 2019/20. Except for IFRS 16, none of these standards and interpretations have had a material effect on recognition and measurement in 2019/20 and are not expected to affect the Group going forward.

Impact of IFRS 16

Effective from 1 July 2019, EY Partnership P/S has implemented IFRS 16 Leases using the modified retrospective transition method and has therefore not restated the comparative figures, which are still presented in accordance with the rules of IAS 17.

As opposed to previously, the Group must now recognise all leases in the balance sheet, including operating leases, with a few exceptions. This means that the Company must recognise a lease liabilities measured at the present value of the future lease payments as described below and right-of-use assets/leasing receivables adjusted for payments that have been made to the lessor prior to the commencement of the lease and incentive payments received from the lessor. The Group has decided not to recognise costs directly related to the leased asset.

In accordance with the transitional provisions of IFRS 16, when implementing the standard, the Group has chosen:

- Not to recognise leases with a term of less than 12 months or of low value
- Not to reassess whether a contract is or comprises a lease
- To determine a discount rate on a portfolio of leases with similar characteristics.

When assessing the future lease payments, the Group reviewed its operating leases and identified the lease payments related to a lease that are fixed or variable but change in line with changes in an index or an interest rate. The Group has chosen not to recognise payments related to service components as part of the lease commitment.

When assessing the expected lease term, the Group identified the non-cancellable lease term in the lease plus periods covered by an extension option that Management is reasonably likely to exercise and plus periods covered by a termination option that Management is reasonably unlikely to exercise.

For leases on equipment, the Group has assessed that the expected lease term is the non-cancellable lease term in the leases, as the Group has not historically exercised the extension options in similar leases.

When discounting the lease payments to present value, the Group used its incremental borrowing rate, which is the costs of obtaining external financing for a corresponding asset with a financing period corresponding to the term of the lease. The Group has documented the incremental borrowing rate of each portfolio of leases with similar characteristics.

When assessing the Group's incremental borrowing rates, the Group determined its incremental borrowing rate for its lease of the property based on an interest rate of a mortgage credit bond with a term corresponding to the term of the lease.

When implementing IFRS 16, the Group recognised a leased asset of DKK 72.4 million and a lease commitment of DKK 72.4 million. The equity effect is thus DKK 0.

Leased assets primarily comprise office rental and cars.

When measuring the lease commitment, the Group used an average incremental borrowing rate for discounting future lease payments of 2.5% for operating equipment and 1.2% for office rental.

Operating lease commitments at 30 June 2019	63.9
Discounted at incremental borrowing rate at 1 July 2019	61.0
Exception clauses applied: Short-term leases	-0.7
Leases with low value Recognition of additional value of lease and licence agreement	-5.6
Lease commitment at 1 July 2019 (IFRS 16)	72.4

Description of accounting policies

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, EY Partnership P/S, and its wholly-owned subsidiaries, EY Godkendt Revisionspartnerselskab, EY Net Source A/S and EY Grønland Statsautoriseret Revisionsanpartsselskab.

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated. Unrealised losses are eliminated in the same way as unrealised gains to the extent they do not reflect impairment.

Equity investments in subsidiaries are eliminated by the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies.

Foreign currency translation

The functional currency of the Parent Company and the subsidiaries is DKK. Transactions denominated in other currencies than the functional currency are foreign currency transactions.

On initial recognition, transactions denominated in foreign currencies are translated into the functional currency using the exchange rates at the transaction date.

Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency using the exchange rates at the balance sheet date. The difference between the exchange rates at the end of the reporting period and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised in profit or loss as financial income or financial expenses.

Statement of comprehensive income

Revenue

Income from the sale of services is recognised over time as the service is rendered. Accordingly, revenue corresponds to the selling price of work performed. Recognition implies that total income and expenses as well as the stage of completion at the balance sheet date can be determined reliably and that it is probable that payment will be received.

The stage of completion is assessed based on work performed (based on actual consumption) compared to estimated total work to be performed (based on expected total time consumption).

Revenue from services whose selling price is contingent on the outcome of future events, including success fees from mergers and acquisitions, etc., is recognised at the date when the conditions are met.

Revenue includes re-invoicing of work performed by subsuppliers at the Group's expense and risk as well as other outlays.

The terms of payment in the Group's sales agreements will typically not exceed 2 months. For large engagements, on-account payments are requested, while small engagements are typically invoiced when completed. Revenue from services whose selling price is contingent on the outcome of future events is typically invoiced at the date of completion.

The Group usually does not enter into sales agreements with a credit period of more than 12 months. Accordingly, the Group does not adjust the agreed contract price with a finance charge.

Other operating income

Other operating income comprises items of a secondary nature relative to the Group's principal activities, including canteen sales, rental income and the sale of shared services to external tenants, profit sharing and grants received.

Other external expenses

Other external expenses comprise outlays relating to clients as well as expenses relating to marketing, HR, administration, premises, bad debts, etc.

Staff costs

Staff costs comprise wages, salaries and related taxes, pension and social security costs to the Group's employees and partners as well as other staff costs, including jubilee benefits for the year.

Financial income and expenses

Financial income and expenses comprise interest income and expense, including interest expense on leas commitments, and exchange gains and losses on transactions denominated in foreign currencies etc.

Tax for the year

The Parent Company is not a taxable entity, and consequently, no taxes are recognised in the Parent Company's income statement.

The Parent Company's profit/loss is taxed at the Parent Company's partners in accordance with applicable rules in Danish tax law.

Therefore, tax for the year in the Group solely relates to tax on the profit/loss of subsidiaries that are independent taxable entities.

Tax for the year in the consolidated financial statements comprises current tax and changes in deferred tax for the year for the subsidiaries, including changes in deferred tax due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in other comprehensive income is recognised directly in other comprehensive income.

Intangible assets

Goodwill

Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the acquisition date, which Management considers the individual business segments.

Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised on a straight-line basis over the expected useful lives, which are as follows:

Non-competition clauses and client relations	3-10 years

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are depreciated separately.

Fixtures and fittings, tools and equipment are depreciated over 3-5 years.

Depreciation is calculated on the basis of the residual value and impairment losses, if any.

The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

When changing the depreciation period or the residual value, the effect on the depreciation is recognised prospectively as a change in accounting estimates.

Impairment testing of non-current assets

Goodwill

Goodwill is tested for indications of impairment annually, initially before the end of the acquisition year.

The carrying amount of goodwill in the business segments is tested for impairment together with the other non-current assets of the business segments and is written down to the recoverable amount over profit or loss if the carrying amount is higher. The recoverable amount is determined as the present value of the expected future net cash flows to which goodwill relates.

Other non-current assets

The carrying amount of other non-current assets is tested annually for indications of impairment. When there is an indication that assets may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of an asset's fair value less expected costs to sell and its value in use.

Value in use is the present value of the future cash flows expected to be derived from an asset or the cash-generating unit to which the asset belongs.

Recognition of impairment losses in the income statement

Any write-down is recognised in the income statement as depreciation, amortisation and impairment losses on non-current assets. However, impairment losses on goodwill are recognised in a separate line item in the income statement.

Impairment losses on goodwill are not reversed. Impairment losses recognised in respect of other assets are reversed in so far as the assumptions and estimates underlying the impairment losses have changed. Impairment losses are reversed only in so far as the new carrying amount of the asset does not exceed the carrying amount that would have resulted (net of amortisation or depreciation) had no impairment loss been recognised in respect of the asset in prior years.

Leases from 1 July 2019

Right-of-use assets and leasing liabilities are recognised in the balance sheet when the right-of-use asset under a lease entered into regarding a specific identifiable asset is made available to the Group in the lease term, and when the Group in this connection obtains almost all economic benefits from the use of the identified asset and the right to control the use of the identified asset.

On initial recognition, leasing liabilities are measured at the present value of the future lease payments discounted by an incremental borrowing rate. The following lease payments are recognised as part of the lease liabilities:

- Fixed payments
- Variable payments that change concurrently with changes to an index and an interest rate based on said index or interest rate
- Payments subject to an extension option that it is highly probable that the Group will exercise

The lease liabilities are measured at amortised cost according to the effective interest method. Lease liabilities are recalculated in case of changes to the underlying contractual cash flows stemming from changes to an index or an interest rate or in case the Group changes its assessment of the probability of utilisation of options under the lease.

On initial recognition, the right-of-use asset are recognised at cost, which corresponds to the value of the lease liabilities. Subsequently, the assets are measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the leased asset. Depreciation charges are recognised on a straight-line basis in the income statement.

Right-of-use assets are depreciated on a straight-line basis over the expected lease term, which is:

Office rental	2-11 years
Operating equipment	3-5 years

The Group presents the right-of-use asset and the leasing liability separately in the balance sheet.

The Group has chosen not to recognise leased assets of a low value and short-term leases in the balance sheet. Instead, related lease payments are recognised on a straight-line basis in the income statement

Leases before 1 July 2019

Leases in force before 1 July 2019 are recognised on a straight-line basis in the income statement over the term of the lease.

Deposits

Deposits paid are recognised in the balance sheet at amortised cost. Deposits primarily relate to rent deposits.

Receivables

Receivables, which comprise trade receivables and other receivables, are measured at amortised cost, which usually corresponds to the nominal value.

Contract assets

Contract assets are measured at the selling price of the work performed plus out-of-pocket expenses and less progress billings. The individual contract assets are recognised in the balance sheet as either receivables or payables. Net assets comprise the sum of services where the selling price of the work performed exceeds invoicing on account. Net liabilities are determined as the sum of contract assets where progress billings exceed the selling price of the work performed.

Write-down of receivables and contract assets

Write-down for bad and doubtful debts on receivables and contract assets is made in accordance with the simplified expected credit loss model according to which the total life-time expected loss is recognised immediately in the income statement at the same time as the receivable and service in progress are recognised in the balance sheet.

Prepaid expenses

Prepaid expenses are measured at cost. Prepaid expenses primarily comprise prepaid rent, insurance, subscriptions and membership fees as well as membership subscription to EY.

Equity — dividend

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date).

Dividend expected to be distributed for the year is presented as a separate line item in equity.

Acquisition costs and selling prices for treasury shares are recognised directly in equity.

Corporation tax and deferred tax

Tax payables and receivables solely relate to the subsidiaries that are independent taxable entities.

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year in the subsidiaries, adjusted for tax on prior-year taxable income and tax paid on account.

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

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Provisions

Provisions comprise anticipated expenses for professional liability claims, onerous contracts and jubilee benefits. Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation.

On measurement of provisions, the costs required to settle the liability are discounted if the effect is material to the measurement of the liability. Changes to the present value during the year are recognised as financial expenses.

A provision has been made for losses on known and potential professional liability claims for damages based on an assessment of the known facts of the individual cases.

The provision for jubilee benefits is based on an actuarial calculation of the present value of the expected jubilee benefits. The provision is calculated based on the current wage level as well as expected future wage increases and expected termination of employment.

Financial liabilities and other payables

Financial liabilities comprise payables to credit institutions, trade payables and payables to group entities.

On initial recognition, financial liabilities are recognised at fair value less transaction costs. Subsequently, financial liabilities are measured at amortised cost.

Other payables are measured at amortised cost, which substantially corresponds to the nominal value.

Cash flow statement

Cash flows from operating activities are calculated based on the indirect method as profit/loss after tax adjusted for non-cash operating items, changes in working capital, interest received and paid, dividends received and corporation tax paid.

Cash flows for investing activities comprise payments in connection with acquisitions and disposals of intangible assets, property, plant and equipment and other non-current assets.

Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs as well as changes in balances with group entities and other related parties, the raising of loans and lease liabilities, repayment of interest-bearing debt, including leasing liabilities, as well as payment of dividend to shareholders.

Cash and cash equivalents comprise cash at bank and in hand.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines.

The financial ratios stated under "Financial highlights" have been calculated as follows:

Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

Parent Company

The accounting policies applied in the parent company financial statements as described above deviate from the accounting policies applied in the consolidated financial statements in the following respects.

Lease and licence agreement

In connection with the merger of the former KPMG's and EY's Danish activities at 1 July 2014, a lease and licence agreement was entered into with EY Godkendt Revisionspartnerselskab P/S. The lease and licence agreement implies that EY Partnership P/S passes on the right of use and operation to all fixed assets, including intangible assets, and to all rental agreements, licence agreements and leases related to the audit and advisory activities to the Group and that the Group has entered into the contracts, etc., related to the audit and advisory activities to EY Godkendt Revisionspartnerselskab P/S, and that EY Godkendt Revisionspartnerselskab P/S has entered into the contracts, etc., related to the audit and advisory activities.

EY Godkendt Revisionspartnerselskab pays consideration for the lease and licence agreement entered into between EY Partnership P/S and EY Godkendt Revisionspartnerselskab. The consideration comprises a revenue-based lease and licence fee and a fixed fee related to the right of use to EY Partnership P/S' fixed assets and the right of use to the rental agreements, licence agreements and leases entered into by EY Partnership P/S. The right of use to non-current assets, including assets held under rental agreements, licence agreements and leases, is solely subject to minimum payments.

The lease and licence agreement is terminable at one year's notice and will then terminate on 31 December. The notice of termination comprises all components of the lease and licence agreement, including the rights of use to EY Partnership P/S' fixed assets and the right of use to the rental agreements, licence agreements and leases entered into by EY Partnership P/S. The agreement is subject to standard termination clauses on non-performance in accordance with the lease and licence agreement.

The Parent Company has assessed that the lease term of the sub-lease agreements entered into with EY Godkendt Revisionspartnerselskab as the lessee corresponds to the lease term of the head lease agreements entered into between The Parent Company and third party lessors as it is assessed that it is reasonable certain that the implicit renewal options of the assets in question in the lease and license agreement between the Parent Company and EY Godkendt Revisionspartnerselskab will be exercised.

Revenue

Revenue primarily comprises lease and licence fees from EY Godkendt Revisionspartnerselskab in accordance with agreements on payment of lease and licence fees.

Income from lease and licence fees are accrued and recognised in the period to which the underlying agreements relate.

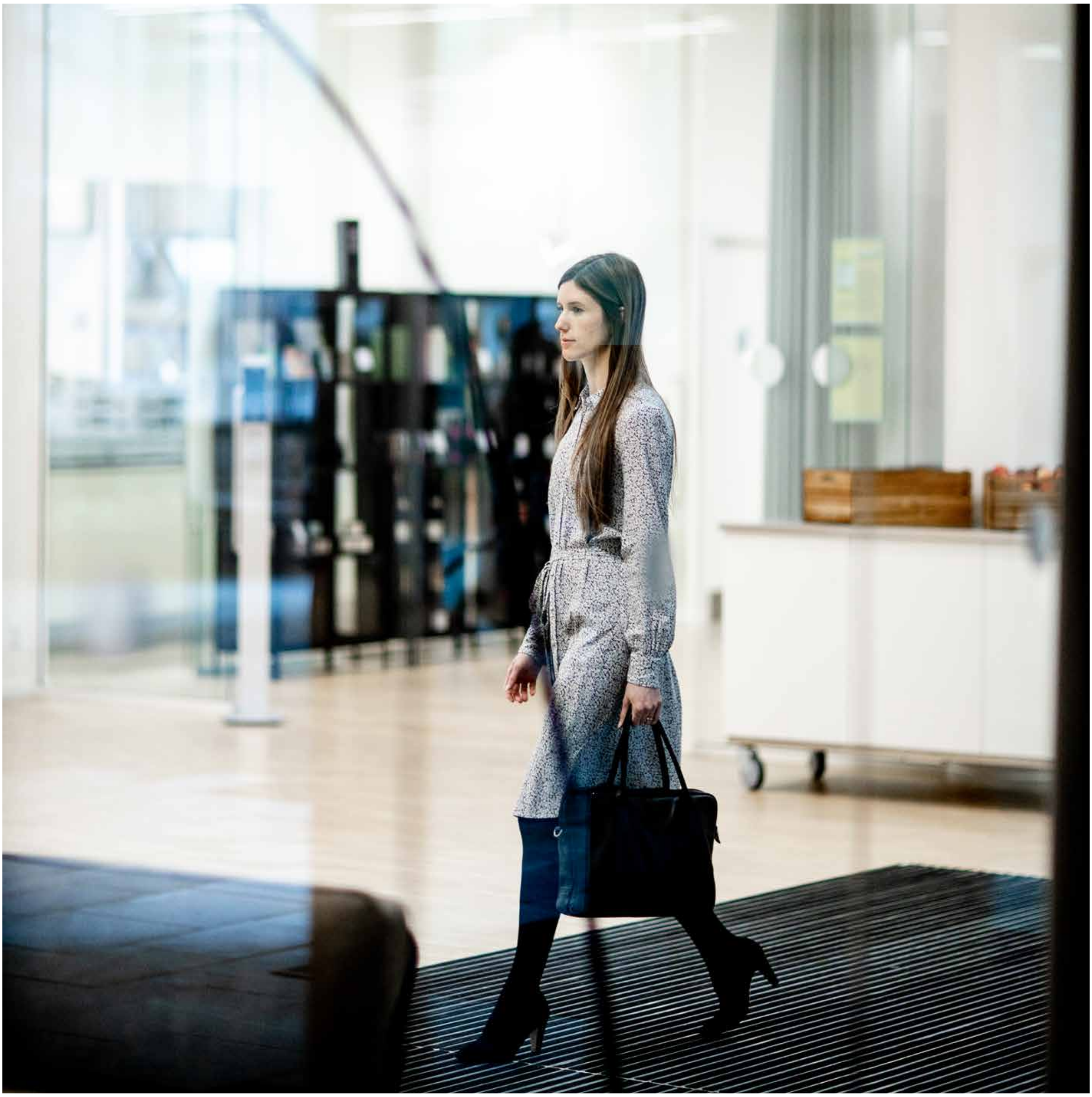
Dividends from subsidiaries

Distribution of retained earnings in subsidiaries is recognised as income in the statement of comprehensive income in the year of declaration. Impairment tests are performed if dividend distributions exceed the given subsidiary's comprehensive income for the period.

Tax for the year

The Parent Company is not an independent taxable entity, and consequently, no provision for tax on the Parent Company's profit/loss is made in the annual report.

The Parent Company's profit/loss is taxed at the Parent Company's partners in accordance with applicable rules in Danish tax law.



Leases from 1 July 2019

Right-of-use assets subleased under finance lease agreement pursuant to the lease and licence agreement above are recognised, measured and presented as leasing receivables.

Operating lease commitments at 30 June 2019	60.0
Discounted at incremental borrowing rate at 1 July 2019	57.6
Exception clauses applied: Short-term leases	-0.7
Leases with low value	-5.0
Recognition of additional value of lease and licence agreement	17.7
Lease commitment at 1 July 2019 (IFRS 16)	69.6

Equity investments in subsidiaries

Equity investments in subsidiaries are measured at cost. In case of evidence of impairment, an impairment test is conducted. In connection with the impairment test, the subsidiary's recoverable amount is calculated. Equity investments are written down to the lower of the carrying amount and the recoverable amount. Impairment losses are recognised in the statement of comprehensive income as financial expenses.

Impairment losses are reversed in so far as the assumptions and estimates underlying the impairment losses have changed.

Note 2
Accounting estimates and judgements

Estimation uncertainty
The calculation of the carrying amount of certain assets and liabilities requires assessments, estimates and assumptions concerning future events.

The estimates and assumptions made are based on historical experience and other factors that Management finds reasonable in the circumstances, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Moreover, the Group is subject to risks and uncertainties that may entail that actual results differ from these estimates. EY Partnership P/S' special risks are described in the Management's review and note 29 to the consolidated financial statements and the parent company financial statements.

It may be necessary to change previous estimates due to changes in the conditions on which these previous estimates were based or due to new knowledge or subsequent events.

Estimates that are significant to the financial reporting are made by determining revenue and selling price on contract assets.

Recognition of revenue and selling price of contract assets
Contract assets relating to services agreed but not completed are measured at the balance sheet date at the selling price of the work performed based on the stage of completion of the services, which is determined based on time spent and an assessment of the fee value thereof. The assessment of the stage of completion and thus revenue relating to contract assets are part of the continuous management control and budgetary control over the individual projects, which reduces the uncertainty related to the determination thereof.

Reference is made to note 17 for an overview of contract assets at 30 June.

Leases and lease and licence agreement
Reference is made to the description in the accounting policies and note 15 regarding the estimate to treat the lease and licence agreement as a sub-lease where the conditions in the underlying agreements, including lease terms, are used for recognition in accordance with IFRS 16.

NOTES

		Group		Parent	
		2019/20	2018/19	2019/20	2018/19
		DKKm	DKKm	DKKm	DKKm
3	Revenue in the Group				
	Revenue can be broken down by business segments as follows:				
	Assurance	956,6	954,4	-	-
	Tax & Law	525,1	457,5	-	-
	Consulting	308,6	290,8	-	-
	Strategy and Transactions	292,2	249,3	-	-
		2.082,5	1.952,0	-	-
	Revenue in the Parent Company can be specified as follows:				
	Rental income (EY firms)	-	-	3,7	49,3
	Rental income (external lessees)	-	-	3,1	3,8
	Lease of equipment and license fee	-	-	15,1	32,1
		-	-	21,9	85,2
4	Other operating income				
	Grants received for special purposes	4,3	28,9	-	21,6
	Profit sharing and final settlement, etc.	30,0	47,5	-	-
	Other income	7,0	10,6	-	0,7
		41,3	87,0	-	22,3
5	Fees paid to auditor appointed at the annual general meeting				
	Statutory audit	0,6	0,6	0,1	0,1
	Tax advisory services	-	-	-	-
	Assurance engagements	-	-	-	-
	Other assistance	-	-	-	-
		0,6	0,6	0,1	0,1
6	Staff costs				
	Wages, salaries and partner remuneration	1.247,2	1.164,6	-	-
	Pensions	80,7	81,7	-	-
	Other social security costs	12,3	12,0	-	-
		1.340,2	1.258,3	-	-
	Average number of full-time employees	1.534	1.550	-	-
	Number of full-time employees at year end	1.488	1.553	-	-
	Number of employees at year end	1.601	1.644	-	-
	Profit.sharing partners at year end	89	83	-	-
	Renumeration to the Executive Board and Key Management				
	Key Management	28,1	24,4	-	-
	Amount relating to Executive Board	5,2	5,2	-	-

The amount includes remuneration paid to the Company's former CEO.
Remuneration of the Executive Board comprises the share attributable to the performance of duties in the Executive Board.
The Parent Company's Board of Directors does not receive directors' remuneration.

		Group		Parent	
		2019/20	2018/19	2019/20	2018/19
		DKKm	DKKm	DKKm	DKKm
7	Depreciation and amortisation				
	Amortisation of intangible assets	0,7	0,5	0,7	0,5
	Depreciation Right of Use assets	37,3	-	-	-
	Depreciation on other property, plant and equipment	17,7	18,0	-	18,0
		55,7	18,5	0,7	18,5
8	Other operating income				
	Loss on sale of fixed assets	4,8	-	-	-
		4,8	-	-	-
9	Financial income				
	Interest income, lease receivables	-	-	2,2	-
	Foreign exchange gains	0,1	0,2	-	-
	Interest income, other related parties	-	0,1	1,7	1,6
	Other financial income	0,1	0,4	0,3	0,3
		0,2	0,7	4,2	1,9
10	Financial expenses				
	Interest, non-current liabilities other than provisions	0,6	-	0,6	-
	Interest, leasing liabilities	2,3	-	2,2	-
	Interest expenses, group entities	0,2	0,4	0,2	0,5
	Partner and other interest expenses	3,3	6,5	3,1	6,4
	Other financial expenses	0,3	0,3	-	-
		6,7	7,2	6,1	6,9
11	Tax for the year				
	Current tax	1,3	0,2	-	-
	Deferred tax	-	-0,1	-	-
		1,3	0,1	-	-
	Tax for the year can be specified as follows:				
	Profit/loss for the year before tax	34,7	60,8	44,1	61,3
	Amount relating to profit/loss for the year before tax in non tax liable entities	-35,3	-60,3	-44,1	-61,3
	Profit/loss for the year from subsidiaries that are tax liable entities	6,2	0,5	-	-
	Computed 22.0% tax on profit/loss before tax from Danish subsidiary	1,3	0,1	-	-
	Computed 26.6% tax on profit/loss before tax from Greenlandic subsidiary	0,1	-	-	-
	Tax effect of:				
	Non-deductible expenses	0,1	-0,1	-	-
	Reversal/Write-down of tax asset	-0,2	0,1	-	-
		1,3	0,1	-	-
	Effective tax rate in subsidiaries	21%	20%	-	-

The Parent Company is not a taxable entity, and consequently, tax is not recognised in the parent company financial statements. Thus, tax for the year solely relates to subsidiaries.

	DKKm	Goodwill	Other intangible assets	Total
		Group/Parent		
12	Intangible assets			
	Cost at 1 July 2018	126,5	5,0	131,5
	Additions for the period	-	0,5	0,5
	Cost at 30 June 2019	126,5	5,5	132,0
	Amortisation at 1 July 2018	-	0,5	0,5
	Amortisation for the year	-	0,5	0,5
	Amortisation at 30 June 2019	-	1,0	1,0
	Carrying amount at 30 June 2019	126,5	4,5	131,0
	Cost at 1 July 2019	126,5	5,5	132,0
	Additions for the period	-	1,3	1,3
	Disposals for the period	-0,2	-	-0,2
	Cost at 30 June 2020	126,3	6,8	133,1
	Amortisation at 1 July 2019	-	1,0	1,0
	Amortisation for the year	-	0,7	0,7
	Amortisation at 30 June 2020	-	1,7	1,7
	Carrying amount at 30 June 2020	126,3	5,1	131,4

	30-06-2020	30-06-2019
The carrying amount of goodwill is allocated to the following Service Lines:		
Assurance	81,1	81,3
Consulting	25,4	25,4
Strategy and Transformation	19,8	19,8
	126,3	126,5

Other intangible assets comprise buyout of non-competition clauses and client relations.

13 Impairment testing

At 30 June 2020, Management tested the carrying amount of goodwill for indication of impairment.

Goodwill relates to audit and advisory activities, including related clients, that are leased to EY Godkendt Revisionspartnerselskab.

When calculating the recoverable amount, future expected cash flows were used that can be derived from budgets for the coming financial year approved by Management. This budget has been projected for the following four financial years with estimated growth rates, etc., so that the budget and forecast period comprises five financial years. For accounting periods after the forecast period (the terminal period), estimated normalised cash flows have been extrapolated in the most recent forecast period.

When calculating the cash flows, remuneration of shareholding partners is included at an assessed value based on the average remuneration of non-shareholding partners.

The most significant uncertainties regarding the calculation of the recoverable amount relate to the determination of discount rates, growth rates and earnings margin in the budget and forecast period and in the terminal period.

The determined discount rate reflects the risk-free interest rate applicable at the balance sheet date and the specific risks associated with the non-current assets and cash flows of the individual business areas. The applied discount rates before tax are approx. 9-10%.

13 Impairment testing, continued

The growth rates and earnings margins applied are based on Management's expectations of the development in the individual business areas in the budget and forecast period and in the terminal period. The expectations are based on past experience, strategic goals, etc.

The determined growth rates in the terminal period are not expected to exceed the average long-term growth rates of the markets as a whole. The growth rates in the terminal period are 2%.

Our impairment test did not give rise to any need for impairment write-down.

Sensitivity analyses

It is Management's assessment that even material changes in the most significant assumptions will not result in impairment.

	DKKm	Group	Parent
14	Property, plant and equipment		
	Cost at 1 July 2018	91,4	91,4
	Additions for the period	14,5	14,5
	Disposals for the period	-29,7	-29,7
	Cost at 30 June 2019	76,2	76,2
	Depreciation at 1 July 2018	58,9	58,9
	Depreciation for the year	18,0	18,0
	Depreciation, disposals	-29,4	-29,4
	Depreciation at 30 June 2019	47,5	47,5
	Carrying amount at 30 June 2019	28,7	28,7
	Cost at 1 July 2019	76,2	76,2
	Additions for the period	57,8	-
	Disposals for the period	-21,0	-76,2
	Cost at 30 June 2020	113,0	-
	Depreciation at 1 July 2019	47,5	47,5
	Depreciation for the year	17,7	-
	Depreciation, disposals	-13,1	-47,5
	Depreciation at 30 June 2020	52,1	-
	Carrying amount at 30 June 2020	60,9	-

	DKKm	Group
15	Leases	
	Right-of-use assets	
	Effect at transition on 1 July 2019	72,4
	Additions for the year	144,7
	Cost at 30 June 2020	217,1
	Depreciation for the year	37,3
	Depreciation at 30 June 2020	37,3
	Carrying amount at 30 June 2020	179,8

DKKm		Parent
15	Leases, continued	
	Lease receivables	
	Effect at transition on 1 July 2019	69,6
	Additions for the year	134,0
	Instalments	-33,4
	Cost at 30 June 2020	170,2
	Carrying amount at 30 June 2020	170,2
	Analysis of term to maturity	
	Due within 1 year	31,9
	Due within 1-2 years	22,4
	Due within 2-3 years	18,1
	Due within 3-4 years	15,6
	Due within 4-5 years	15,3
	Due after 5 years	78,5
	Total	181,8
	Coherence between maturity analysis and net investment	
	Nominal value of future minimum payments, see above	181,8
	Amount relating to interest income included in minimum payments not yet recognised	-11,6
	Total	170,2

Additions for the year primarily relate to the new lease for the domicile in Copenhagen.
All lease receivables relate to the subsidiary EY Godkendt Revisionspartnerselskab, and consequently, no residual value of the lease has been recognised.

	Group	Parent

Reference is made to note 2 for a description of the scope of the Group's leases, exposure to potential cash flows and process for determining the discount rate.

	Group	Parent
Lease liabilities maturity		
Less than 1 year	38,1	34,5
Between 1-5 years	89,8	81,8
Exceeding 5 years	92,7	92,7
Total non-discounted lease liabilities at 30 June 2020	220,6	209,0
Recognition of lease liabilities in the balance sheet		
Short-term	9,5	9,0
Long-term	199,0	188,4
Lease liabilities recognised in the balance sheet	208,5	197,4

		Group	Parent
15	Leases, continued		
	Amounts recognised in the income statement (DKKm):		
	Interest expenses relating to lease liabilities	2,4	2,2
	Interest income related to lease receivables	-	2,2
	Costs related to short-term leases (less than 12 months)	4,4	3,5
	Costs related to leases of a low value	-	-

For 2019/20, the Group has paid DKK 39.8 million in respect of leases, of which interest payments related to recognised lease liabilities amount to DKK 2.4 million and instalments on recognised lease liabilities amount to DKK 37.4 million.

For 2019/20, the Parent has paid DKK 37.2 million in respect of leases, of which interest payments related to recognised lease liabilities amount to DKK 2.2 million and instalments on recognised lease liabilities amount to DKK 35.0 million.

The Parent Company has assessed that the lease term of the sub-lease agreements entered into with EY Godkendt Revisionspartnerselskab as the lessee corresponds to the lease term of the head lease agreements entered into between The Parent Company and third party lessors as it is assessed that it is reasonable certain that the implicit renewal options of the assets in question in the lease and licenee agreement between the Parent Company and EY Godkendt Revisionspartnerselskab will be exercised.

The Group and Parent Company have entered into a rental agreement regarding a new office in Esbjerg. The premises is occupied as from July 2020 and the rental agreement is non-terminable for 4 years. The annual rent amounts to DKK 529 thousand.

The Group and Parent Company have entered into a rental agreement regarding a new office in Kolding. The premises is occupied as from September 2020 and the rental agreement is non-terminable for 8 years. The annual rent amounts to DKK 830 thousand.

		Group	Parent	
	DKKm	Deposits	Equity investments in subsidiaries	Deposits
16	Other non-current assets			
	Cost at 1 July 2018	17,8	156,4	17,4
	Additions for the year	0,5	-	0,4
	Disposals for the year	-0,3	-	-
	Cost at 30 June 2019	18,0	156,4	17,8
	Value adjustments at 1 April 2018	-	34,6	-
	Value adjustments at 30 June 2019	-	34,6	-
	Carrying amount at 30 June 2019	18,0	121,8	17,8
	Cost at 1 July 2019	18,0	156,4	17,8
	Additions for the year	7,9	-	7,8
	Disposals for the year	-	-45,3	-
	Cost at 30 June 2020	25,9	111,1	25,6
	Value adjustments at 1 July 2019	-	34,6	-
	Value adjustments for the year	-	-34,6	-
	Value adjustments at 30 June 2020	-	-	-
	Carrying amount at 30 June 2020	25,9	111,1	25,6

16 Other non-current assets, continued

Equity investments in subsidiaries comprise:

Name	Registered office	Voting rights and ownership
EY Godkendt Revisionspartnerselskab	Frederiksberg	100%
EY Net Source A/S	Frederiksberg	100%
EY Grønland Statsautoriseret Revisionsanpartsselskab	Frederiksberg	100%

Deposits comprise amounts deposited in connection with leases covered by the leasehold agreement that will be repaid when the agreement expires. Deposits are generally indexed annually and are considered collateral for accounting purposes and measured at amortised cost.

Investments in other entities comprise shares in a foreign EY firm. The shares are measured at spot price, which corresponds to the value at which the shares are settled between EY firms.

		Group		Parent	
		2019/20	2018/19	2019/20	2018/19
		DKKm	DKKm	DKKm	DKKm
17	Trade receivables				
	Trade receivables before provision for losses	422,0	417,3	-	-
	Provision for losses	-9,8	-7,9	-	-
		412,2	409,4	-	-
	Provision for losses at 1 July	-7,9	-10,0	-	-
	Losses and write-downs identified for the year	1,8	3,6	-	-
	Reversed impairment write-downs	-	-	-	-
	Depreciation and amortisation for the year	-3,7	-1,5	-	-
	Provision for losses at 30 June	-9,8	-7,9	-	-

All receivables fall due within one year.

Interest income regarding receivables written down constitutes insignificant amounts.

For a description of credit risks, please see note 29.

18	Contract assets and liabilities				
	Selling price of contract assets	1.698,3	1.573,1	-	-
	Progress billings, contract assets	-1.605,2	-1.444,9	-	-
		93,1	128,2	-	-
	The net value is recognised in the balance sheet as follows:				
	Contract assets	245,6	234,7	-	-
	Contract liabilities	-152,5	-106,5	-	-
		93,1	128,2	-	-
19	Prepaid expenses				
	Insurance	10,8	11,7	-	-
	Rent	6,6	5,7	6,6	13,3
	Membership subscription	46,4	12,1	-	-
	Subscriptions and membership fees	5,5	6,3	-	-
	Other	4,8	12,6	1,1	3,0
		74,1	48,4	7,7	16,3

20 Equity
The share capital comprises 5,000,000 share of DKK 1 each, which are held by the Company's partners and Komplementarselskabet af 1. januar 2008 A/S.

No share certificates have been issued. Transfer of shares requires the Board of Directors' approval.

On 11 November 2019, the Company distributed ordinary dividend of DKK 61.3 million. Distribution of dividend has no tax consequences for the Company.

For the financial year 2019/20, the Supervisory Board proposes dividend of DKK 44.1 million (DKK 8.82 per share), which will be paid out to the shareholders immediately after the Company's annual general meeting provided that the annual general meeting approves the proposed dividend.

Dividend has not been recognised as a liability in the balance sheet at 30 June 2020 as it is contingent on approval by the annual general meeting.

	Group and Parent			
	No. and nom. value (DKK)		% of share capital	
	2019/20	2018/19	2019/20	2018/19
Treasury shares				
Balance at 1 July	-	-	0,0%	0,0%
Disposals during the year	-231.131	-732.768	-4,6%	-14,7%
Acquisitions during the year	231.131	732.768	4,6%	14,7%
	-	-	0,0%	0,0%

Acquisition and sale of shares are made in connection with partners' appointment and resignation and take effect on the same day. Acquisition and sale of shares are made on behalf of partners, and consequently, the Company does not hold treasury

The acquisition price and sales price of treasury shares amount to DKK 2,311,310.

	Group
	2019/20
	DKKm
21 Provisions	
Provision for professional liability claims, 1 July	5,1
Utilised for the period	-2,3
Provided for the period	1,3
Provision for professional liability claims, 30 June	4,1
Provision for jubilee benefits, 1 July	2,0
Utilised for the period	-0,1
Provided for the period	0,1
Provision for jubilee benefits, 30 June	2,0
Total provisions	6,1
Expected maturities for provisions:	
Short-term:	
0-1 years	-
Long-term:	
1-5 years	4,4
> 5 years	1,7
	6,1

21 Provisions (continued)

For professional liability claims, a provision has been made for losses on known and potential claims for damages based on an assessment of the known facts of the individual cases. The provision relates to both assurance engagements and consultant's liability and is a result of either a judgment or criticism from a public authority. None of the cases resolved in the year resulted in a draw on the insurance cover. The outcome and timing of the completion of compensation cases are inherently uncertain; however, it is expected that the liabilities will be settled within the next three to five years.

22 Loans from the partners of the Company

Loans from the partners of the Company comprise the partners' deposits in the Company. The deposits currently carry interest of 0.7%. Deposits recognised in non-current liabilities comprise mandatory subordinated loan according to the partner agreement, whereas deposits recognised in current liabilities comprise deposits that are balances payable on demand.

The loan falls due in connection with the approval of the annual report for 2020/21, likely around October/November 2021.

The subordinated non-current loans are subordinated to other payables of the Company.

According to the Articles of Association the partners of the Company has a contingent contribution liability of DKK 260 million to satisfy claims against the Company that the Company is unable to cover.

23 Other non-current liabilities

As a result of an amendment to the Danish Holiday Act in 2019, holiday pay earned by the employees from 1 September 2019 to 31 August 2020 may be deferred and settled only when the employees retire. Consequently, the vacation allowance is presented as a non-current liability. The liability falls due after 5 years.

24 Liabilities from financing activities

DKKm	Opening balance	Cash flows	Non-cash changes	Closing balance
Group 2019/20				
Non-current liabilities	66,4	19,3	-	85,7
Current liabilities	338,6	-98,9	-	239,7
Lease commitments	72,4	-37,4	173,5	208,5
Total liabilities from financing activities	477,4	-117,0	173,5	533,9

Opening lease liabilities include the opening effect of DKK 72.4 million upon implementation of IFRS 16.

Non-cash changes regarding lease liabilities primarily comprise the new domicile in Copenhagen.

Group 2018/19				
Non-current liabilities	57,0	9,4	-	66,4
Current liabilities	394,6	-56,0	-	338,6
Total liabilities from financing activities	451,6	-46,6	-	405,0

Parent 2019/20				
Non-current liabilities	66,4	19,3	-	85,7
Current liabilities	338,6	-98,9	-	239,7
Lease commitments	69,6	-35,0	162,8	197,4
Total liabilities from financing activities	474,6	-114,6	162,8	522,8

Opening lease liabilities include the opening effect of DKK 69.6 million upon implementation of IFRS 16.

Non-cash changes regarding lease liabilities primarily comprise the new domicile in Copenhagen.

24 Liabilities from financing activities (continued)

DKKm	Opening balance	Cash flows	Non-cash changes	Closing balance
Parent 2018/19				
Non-current liabilities	57,0	9,4	-	66,4
Current liabilities	394,6	-56,0	-	338,6
Total liabilities from financing activities	451,6	-46,6	-	405,0

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	DKKm	DKKm	DKKm	DKKm
25 Other payables				
Holiday allowance, bonus and other staff obligations	158,9	204,7	-	-
VAT, PAYE tax, labour market contributions, etc.	178,5	60,8	-	-
Other	5,3	7,5	0,6	0,2
	342,7	273,0	0,6	0,2

The increase in "VAT, PAYE tax, labour market contributions" is due to extended credits on VAT and A tax as part of the COVID-19 rescue packages.

26 Adjustments				
Adjustment for non-cash operating items, etc.:				
Depreciation and amortisation	55,7	18,5	0,7	18,5
Loss on sale of assets	4,8	-	-	-
Changes in prepaid expenses	-25,7	47,1	10,6	-2,0
Changes in provisions	-1,0	1,1	-	-
Accrued interest	6,5	6,5	1,9	5,0
Taxation	1,3	-0,3	-	-
	41,6	72,9	13,2	21,5

27 Changes in working capital				
Changes in trade receivables	-2,8	-22,3	-	-
Changes in contract assets and liabilities	35,1	10,8	-	-
Changes in related party balances	1,5	0,2	-	-
Changes in balances with other EY firms	73,1	-24,8	-	-
Changes in other receivables	-1,5	7,5	-	3,7
Changes in trade payables	-1,6	-9,1	-	-0,1
Changes in other liabilities	149,7	14,2	0,4	-0,1
	253,5	-23,5	0,4	3,5

28 Contractual obligations, contingent liabilities and collateral

Group

Lease and licence agreement

The Group pays consideration for the lease and licence agreement entered into between EY Danmark A/S and the Group. The consideration comprises a revenue-based lease and license fee.

The lease and licence agreement is terminable at one year's notice and will then terminate on 31 December. The notice of termination comprises all components of the lease and licence agreement. The agreement is subject to standard termination clauses on non-performance in accordance with the lease and licence agreement.

Contingent liabilities

The Group is party to a few pending disputes. In Management's opinion, the outcome of these disputes will not affect the Group's financial position taking into consideration the liabilities recognised in the balance sheet at 30 June 2020; see note 21.

The Group is liable for the VAT liability of the jointly registered EY firms. The liability amounted to DKK 89.0 million at 30 June 2020.

Parent Company

Lease and license agreement

EY Godkendt Revisionspartnerselskab pays consideration for the lease and licence agreement entered into between EY Godkendt Revisionspartnerselskab and the Company. The consideration comprises a revenue-based leasehold fee and a fixed fee related to the right of use to the Company's fixed assets and the right of use to the rental agreements, licence agreements and leases entered into by the Company. The right of use to non-current assets, including assets held under rental agreements, licence agreements and leases, is solely subject to minimum payments.

The lease and licence agreement is terminable at one year's notice and will then terminate on 31 December. The notice of termination comprises all components of the lease and licence agreement, including the rights of use to the Company's fixed assets and the right of use to the rental agreements, licence agreements and leases entered into by the Company. The agreement is subject to standard termination clauses on non-performance in accordance with the lease and licence agreement.

The Parent Company has assessed that the lease term of the sub-lease agreements entered into with EY Godkendt Revisionspartnerselskab as the lessee corresponds to the lease term of the head lease agreements entered into between The Parent Company and third party lessors as it is assessed that it is reasonable certain that the implicit renewal options of the assets in question in the lease and license agreement between the Parent Company and EY Godkendt Revisionspartnerselskab will be exercised.

Contingent liabilities

The Company are liable for the VAT liability of the jointly registered EY firms. The liability amounted to DKK 89.0 million at 30 June 2020.

Collateral

	Parent	
	2019/20	2018/19
	DKKm	DKKm
All shares in EY Net Source A/S have been pledged to the Parent Company (EY Partnership P/S). The Parent Company has a contingent option to purchase the shares in EY Net Source A/S.	2,2	2,2
	2,2	2,2

29 Financial risks and financial instruments

The Group's risk management policy

Due to its operations, investments and financing, the Group is exposed to financial risks, including to a limited extent market risks (currency and interest rate risks) and liquidity risks and to a larger extent credit risks.

The Group's financial risk management is centralised. Management continuously monitors the Group's risk concentration on clients.

It is the Group's policy not to engage in active speculation in financial risks. The Group's financial management is thus solely aimed at managing and reducing the financial risks directly attributable to the Group's operations, investments and financing.

Market risk

Currency

The Group's sales transactions are, in all material respects, carried out in Danish kroner. Approx. 17% of the total receivable from invoicing of clients relates to amounts in foreign currencies (primarily USD and EUR).

Fees for services provided abroad primarily relate to contributions to EY Global, premium for indemnity insurance and procurement of services from other EY member firms. The transactions are primarily carried out in USD and EUR.

The currency risk is not considered material enough to hedge the transactions. Realistic changes to exchange rates at the balance sheet date will have an immaterial effect on the Group's results and equity.

Interest

Receivables from other related parties in Denmark and payables to group entities in Denmark as well as deposits with banks carry variable interest. An increase in interest rates of 1% will result in a net interest income of DKK 1.0 million.

Capital management

The Group's Management continuously assesses the need to consolidate the Group taking into consideration the development in the Group's activities. Any capital requirements are managed by funding from EY Godkendt Revisionspartnerselskab.

Credit risk

The Group's credit risks relate to trade receivables and, to a minor extent, cash at bank and in hand. The maximum credit risk related to trade receivables and deposits with banks corresponds to the carrying amount of these items.

Deposits with banks

It is the Group's assessment that bank deposits are not associated with any special credit risks as the Group only has deposits with large established banks.

Trade receivables

Outstanding receivables are followed up upon centrally on an ongoing basis in accordance with the Group's policy for trade receivables. In case of uncertainty as to the client's ability or willingness to pay and if it is deemed that the claim involves a risk, write-down is made to the expected recoverable amount.

As a result of the COVID-19 pandemic and the subsequent deterioration in the economic environment and increased uncertainty, the Group has considered the impact of COVID-19 on credit risk in general on expected credit losses on its trade receivables

The assessment did not result in any further losses being recognised.

29 Financial risks and financial instruments, continued

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	DKKm	DKKm	DKKm	DKKm
Write-down has been made to cover the current loss risk by	9,8	7,9	-	-
The ageing of trade receivables can be specified as follows:				
Not past due	364,3	375,7	-	-
1-30 days	26,5	24,5	-	-
30-90 days	14,1	7,1	-	-
91-180 days	6,9	2,5	-	-
More than 180 days	10,2	7,5	-	-
	422,0	417,3	-	-

With the implementation of IFRS 9, EY has applied the simplified expected credit loss model to measure the expected credit loss allowance for all trade receivables. Based on the low realised losses on receivables historically, adjustments to reflect current and forward-looking information on macroeconomic factors affecting the ability of clients to settle the receivable such as GDP and unemployment rates do not increase the risk of losses significantly.

Insurance

The Group is covered by insurance in all respects, including professional liability. The Group only cooperates with established insurance companies, and it is assessed that there is no risk associated with the credit quality of the insurance companies used.

Liquidity risk

The Group's activities are primarily financed by means of external loans and loans from the partners. At an extraordinary general meeting on 29 December 2017, the Company resolved to introduce a contingent contribution liability for partners corresponding to one year's remuneration – currently DKK 260 million – to satisfy claims against the Company that the Company is unable to cover.

At the annual general meeting on 20 November 2020 the Supervisory Board will propose an increase in the above contingent liability from the partners from DKK 260 million to DKK 520 million.

The Group's financial assets and liabilities fall due for payment as specified below where the amounts reflect the non-discounted nominal amounts falling due for payment in accordance with the underlying agreements, including future interest payments, calculated based on current market conditions.

Methods and assumptions underlying the fair value measurement:

Financial assets and liabilities with short credit periods (less than one year)

It is assessed that the fair value of all the Group's financial assets and liabilities with short credit periods corresponds to the carrying amount.

DKKm	Group 0-1 years	1-5 years	> 5 years	Contractual cash flows	Carrying amount
29 Financial risks and financial instruments, continued					
Liquidity risk, continued					
List of maturities at 30 June 2020					
Lease liabilities	38,1	89,8	92,7	220,6	208,5
Deposits	-	1,1	-	1,1	1,1
Subordinated loan from the partners		85,7	-	85,7	85,7
Trade payables	30,5	-	-	30,5	30,5
Payables to group entities	24,9	-	-	24,9	24,9
Payables to other EY firms	133,6	-	-	133,6	133,6
Payables to the Company's partners	239,7	-	-	239,7	239,7
Other payables	342,7	-	-	342,7	342,7
Total financial liabilities	809,5	176,6	92,7	1.078,8	1.066,7
Trade receivables	412,2	-	-	412,2	412,2
Receivables from group entities	1,2	-	-	1,2	1,2
Receivables from other EY firms	104,5	-	-	104,5	104,5
Other receivables	1,6	-	-	1,6	1,6
Cash	121,3	-	-	121,3	121,3
Total financial assets	640,8	-	-	640,8	640,8
List of maturities at 30 June 2019					
Credit institutions	117,4	-	-	117,4	117,4
Deposits	-	1,1	-	1,1	1,1
Payables to the Company's partners (non-current)	-	66,4	-	66,4	66,4
Trade payables	32,1	-	-	32,1	32,1
Payables to group entities	23,5	-	-	23,5	23,5
Payables to other EY firms	61,5	-	-	61,5	61,5
Payables to the Company's partners	221,2	-	-	221,2	221,2
Other payables	273,0	-	-	273,0	273,0
Total financial liabilities	728,7	67,5	-	796,2	796,2
Trade receivables	409,4	-	-	409,4	409,4
Receivables from group entities	1,3	-	-	1,3	1,3
Receivables from other EY firms	105,5	-	-	105,5	105,5
Other receivables	0,4	-	-	0,4	0,4
Cash	12,3	-	-	12,3	12,3
Total financial assets	528,9	-	-	528,9	528,9

		Parent			
DKKm	0-1 years	1-5 years	> 5 years	Contractual cash flows	Carrying amount
29 Financial risks and financial instruments, continued					
Liquidity risk, continued					
List of maturities at 30 June 2020					
Lease liabilities	34,5	81,8	92,7	209,0	197,4
Deposits	-	1,1	-	1,1	1,1
Subordinated loan from the partners	-	85,7	-	85,7	85,7
Payables to group entities	30,7	-	-	30,7	30,7
Payables to the Company's partners	239,7	-	-	239,7	239,7
Other payables	0,6	-	-	0,6	0,6
Total financial liabilities	305,5	168,6	92,7	566,8	555,2
Leasing receivables	31,9	71,4	78,5	181,8	170,2
Receivables from group entities	150,7	-	-	150,7	150,7
Cash	2,0	-	-	2,0	2,0
Total financial assets	184,6	71,4	78,5	334,5	322,9
List of maturities at 30 June 2019					
Deposits	-	18,9	-	18,9	18,9
Subordinated loan from the partners	-	66,4	-	66,4	66,4
Trade payables	-	-	-	-	-
Payables to group entities	38,3	-	-	38,3	38,3
Payables to the Company's partners	221,2	-	-	221,2	221,2
Other payables	0,2	-	-	0,2	0,2
Total financial liabilities	259,7	85,3	-	345,0	345,0
Receivables from group entities	205,3	-	-	205,3	205,3
Cash	0,2	-	-	0,2	0,2
Total financial assets	205,5	-	-	205,5	205,5

On the basis of the the Company's expectations as to its future operations and current cash resources, no other liquidity risks have been identified.

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	DKKm	DKKm	DKKm	DKKm

29 Financial risks and financial instruments, continued

Financial instrument categories

	Carrying amount	Carrying amount	Carrying amount	Carrying amount
Deposits, loans, receivables and cash	666,7	547,0	178,3	223,3
Financial liabilities measured at amortised cost	209,6	118,5	198,5	136,3

The carrying amount and fair value of the above items are in all material respects identical.

30 Related parties

EY Partnership P/S' related parties comprise the following:

Other related parties

Komplementarselskabet af 1. januar 2008 A/S

EY Godkendt Revisionspartnerselskab

EY Net Source A/S

EY Grønland Statsautoriseret Revisionsanpartsselskab

EY Danmark A/S

EY Europe ApS

A/S af 18/6-1992 Statsautoriseret Revisionsaktieselskab

Key management personnel

Key management personnel are defined as the Executive Board and Service Line leaders. Key management personnel have not had any transactions with the Company apart from remuneration; see note 6.

Related party transactions

In addition to transactions with key management personnel, see above, the Group and the Parent Company have had the following related party transactions:

	Group 2019/20	Group 2018/19	Parent 2019/20	Parent 2018/19
Income				
Income in relation to leasing contracts	18,8	81,4	18,8	81,4
Interest income, other related parties	-	0,1	1,7	1,6
Expenses				
Consideration, general partner liability	0,2	0,2	0,1	0,1
Consideration according to leasing contracts	1,5	2,8	1,5	2,8
Interest expenses, group entities	0,2	0,5	0,2	0,5
Other transactions				
Dividends received	-	-	30,4	29,8

Balances with EY firms are disclosed in the balance sheet.

31 New accounting regulation

At the date of the annual report for 2019/20, IASB and IFRIC have issued a number of new standards and interpretations as well as amendments that are not mandatory for the Company when preparing the annual report for 2019/20:

IFRS 17 Insurance Contracts
IFRS 3 Business Combinations - Amendments to IFRS 3
IAS 1 Presentation of financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments to IAS 1 and IAS 8: Definition of Material
Conceptual Framework - Amendments to References to the Conceptual Framework in IFRS Standards.

None of the above standards are expected to materially affect the financial reporting of EY.

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

ED None

ey.com/dk

B20014dk

PENN30

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift.
Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Jan C Olsen
Direktion
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:28761615
IP: 83.92.xxx.xxx
2020-12-02 14:47:14Z
NEM ID

Navnet er skjult (CPR valideret)
Direktion
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: PID:9208-2002-2-308115360174
IP: 80.161.xxx.xxx
2020-12-03 08:57:28Z
NEM ID

Mikkel Sthyr
Bestyrelse
Serienummer: PID:9208-2002-2-050812743782
IP: 145.62.xxx.xxx
2020-12-03 09:19:38Z
NEM ID

Torben Poul Bender
Bestyrelse
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: PID:9208-2002-2-361699728592
IP: 145.62.xxx.xxx
2020-12-03 09:42:57Z
NEM ID

Mette Storm
Bestyrelse
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: PID:9208-2002-2-008732543395
IP: 94.147.xxx.xxx
2020-12-03 09:44:36Z
NEM ID

Mona Bloend
Bestyrelse
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:1267704642700
IP: 83.89.xxx.xxx
2020-12-03 10:40:15Z
NEM ID

Carina Marie Korsgaard
Bestyrelse
Serienummer: PID:9208-2002-2-201623745237
IP: 2.104.xxx.xxx
2020-12-04 19:20:55Z
NEM ID

Per Frost Jensen
Statsautoriseret revisor
På vegne af: BDO
Serienummer: CVR:20222670-RID:1114063996968
IP: 77.243.xxx.xxx
2020-12-07 06:26:17Z
NEM ID

Penneo dokumentnøgle: SXL7E-G1FC4-BHV8P-4WVPV-AZFBO-UG16F

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Niels Skat Rørdam
Dirigent
På vegne af: Ernst & Young P/S
Serienummer: PID:9208-2002-2-746359465110
IP: 145.62.xxx.xxx
2020-12-07 09:39:25Z

NEM ID

Penneo dokumentnøgle: SXL7E-G1FC4-BHV8P-4WVPV-AZFBO-UG16F