Deloitte.

Annual report

Financial review
FY24

Annual report for FY24 - 1 June 2023 – 31 May 2024
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6 · 2300 Copenhagen S · CVR. no.: 33963556

Adopted at the Company's Annual General Meeting on 30 October 2024
Chairman of the annual general meeting: Lars Kronow

Contents

Financial review

Main activity
Deloitte Statsautoriseret Revisionspartnerselskab carries out audit and advisory services in Denmark within the framework that follows from the Danish auditing legislation. The activities have consisted of audit and advisory services within Audit & Assurance, Consulting, Tax & Legal, Risk Advisory and Financial Advisory.

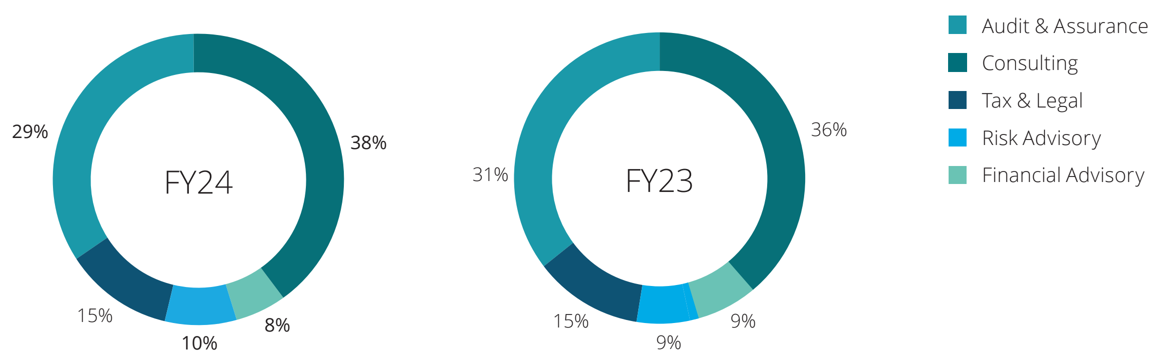
Statement of comprehensive income
We have continued our growth and consolidation of our position as a market leading audit and advisory firm in Denmark with a growth rate in revenue of 4% compared to last year. Revenue totals DKK 5,168m compared to DKK 4,963m in FY23. Taking divestment into account all business units except for one have experienced increased level of activity as described below and in general the increased revenue relates to organic growth.

Staff costs, including remuneration to the partners, total DKK 3,325m, which was a small decrease compared to last year. The decrease was mainly due to divestment that led to a decrease in number of employees. Of the total staff on 31 May 2024, 284 were partners (31 May 2023: 275).

External expenses increased by 16% to DKK 1,641m. The increase was mainly due to use of sub-contractors, including other Deloitte member firms.

Profit for the year amounted to DKK 142m, which was DKK 73m higher than last year's profit and expectations expressed in the annual report for FY23. The increase in earnings was primarily due to divestment of activities in the Audit & Assurance business. The revenue exceeds the expressed expectations of an increase in revenue taking the divestment into account. The higher revenue relates to all business units except from one when considering divestment in audit. We refer to below for further details. In assessing the results, it should be considered that the remuneration to equity partners has been recognised in staff costs.

Revenue by business unit



Audit & Assurance
During FY24, Audit & Assurance continued the transformational journey by accelerating the use of technology, sustaining market-leading quality, and continuing to change our delivery models to create a sustainable people experience. In addition a number of divestments were executed to further focus our business. Revenue went down by 2% compared to last year – significantly affected by the divestments. Taking the divestment into account all service areas within Audit & Assurance have contributed to growth, particularly high demand within Financial Services and Private Segments as well as a continued growth in Assurance Offerings.

Consulting
Consulting increased revenue by 11% in FY24, with a continuous focus on supporting our clients through large-scale business transformations. This growth was enabled by a remarkable culture, continued investment in future services and hard work carried out by Consulting's talents.

Tax & Legal
Tax & Legal have had another year of strong double-digit growth rate of 10%. The growth was primarily driven by Transfer Pricing, Indirect Tax and Business Tax. The growth in Transfer Pricing is driven by demand for compliance work as well as increase in advisory work due to the increased regulatory requirements. The growth in Indirect Tax is a result of the transformation which began a couple of years ago. Business Tax has grown across the country. A huge factor for the growth has been continuously investment in talent resources and capabilities both internally but also key senior hires.

Risk Advisory
Risk Advisory continued its growth during FY24 by realizing a 4% increase in revenue. The growth was driven by continued high activity within well-established offerings as well as new fast-growing service areas. The growth is proof of continued strong demand for risk, cyber, and compliance-related services combined with a more streamlined business after divesting the legacy business area of managed license services.

Financial Advisory
Financial Advisory realised a negative growth rate of 10% compared to FY23. M&A Transaction Services and Forensic realised one-digit growth rates, whereas Corporate Finance Advisory experienced a slight decline as a consequence of volatile market conditions. We continue to build a resilient and well balanced business that can serve clients in M&A and Forensic.

Balance sheet and cash flow statement
By the end of FY24, the balance sheet totalled DKK 2,813m (FY23: DKK 2,851m), of which equity amounted to DKK 798m (FY23: DKK 632m), equalling an equity ratio of 28% (FY23: 22%). The equity ratio excluding leasing liabilities equals 30% (FY23: 25%).

Investments in intangible assets and property, plant and equipment amounted to DKK 17m in FY24 which is DKK 147m lower than in FY23 primarily because of acquisition of Framework and right-of-use assets.

At the end of FY24, net contract assets and trade receivables made up DKK 1,269m, which was an increase of DKK 55m compared to last year. The increase was due to both increased activity and revenue.

At the end of FY24, the equity amounted to DKK 798m, a net increase of DKK 166m compared to last year. The positive development can be attributed to a positive net result of DKK 142m, dividend payment of DKK 66m, and capital cash contribution of DKK 89m.

Dividend distributed in FY24 amounted to DKK 66m, which was DKK 6m higher than prior year, effected by the number of equity partners. The Board proposes a total dividend payment of DKK 76m for FY24 for the shareholders approval on the Shareholders Meeting 30 October 2024.

Operating cash flow before working capital changes amounted to DKK 215m by end of FY24 (FY23: DKK 240m). This development compared to last year is mainly related to adjustments for non-cash items.

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Parent
The Parent generally accounts for 99% to 100% of the Firm's activities. The Firm's development, therefore, in all material respects corresponds to that of the Parent as commented above.

Uncertainty relating to recognition and measurement
No special uncertainty has been identified relating to recognition and measurement. For significant accounting judgements and estimates, refer to Note 0.5 to the consolidated financial statements.

Research and development activities
In addition to development projects capitalised during FY24, DKK 4m, ongoing improvements and development of business supporting tools are carried out but are not assessed to meet the criteria for recognition as separate assets in the balance sheet.

As focus will remain on digitalisation and innovation, we expect to make further investments in these areas during FY25.

Financial risks
The Firm's financial management is directed at managing and reducing financial risks, which are a direct consequence of the Firm's operations, investments and financing. Because of its operations, investments and financing, the Firm is primarily exposed to changes in exchange rates and interest rates. Furthermore, the Firm is exposed to credit risks related to trade receivables, contract assets, bank deposits and liquidity risks.

The exposures to the identified risks are monitored on an ongoing basis by the Firm's finance department. The objective is that the Firm's financial management will contribute to increasing the predictability of the financial performance, which includes reducing the financial risks identified. The Firm does not use derivatives etc.

The Firm's finance department manages the Group's financial risks and coordinates the Group's cash management, including financing and investment of surplus liquidity.

For specification of the exposures etc., refer to Note 3.5 in the financial statements.

Events after the balance sheet date
After the balance sheet date, as of 30 June 2024 and as a part of the strategic focus on serving fewer clients more comprehensively, Deloitte Denmark has made the decision to divest Deloitte Pension Management the independent life insurance brokers who work with life, pension, and health insurance. The divestment will not have a significant effect on the annual report for either FY24 or going forward.

During FY25 Deloitte Denmark takes part in the global restructuring of business units, within Deloitte. The new storefront will affect the business units shown in the financial review, as well as notes 1.5 and 2.1. There will be no significant effect other than mentioned above for the annual report going forward.

There have been no other events after the balance sheet date that could significantly impact this annual report.

Outlook FY25
Taking into consideration the general development in the economy and the profession, next year is expected to see satisfactory growth for all business units. An overall increase in revenue adjusted for divestments 3-5% is expected. Earnings for the coming year is expected to be on a par with this year excluding the income from the divested activities (described in Note 4.1).

Financial highlights

	FY24 DKK'm	FY23 DKK'm	FY22 DKK'm	FY21 DKK'm	FY20 DKK'm
Key figures					
Revenue	5,168	4,963	4,442	3,748	3,588
Operating profit*	170	97	84	72	80
Net financials	(28)	(28)	(20)	(16)	(20)
Profit for the year*	142	69	64	55	60
Trade receivables and net contract assets	1,269	1,214	999	1,075	973
Equity	798	632	578	575	580
Balance sheet total	2,813	2,851	2,716	2,801	2,542
Investment in intangible assets	4	124	63	22	67
Investment in property, plant and equipment	14	119	20	38	25
Net interest-bearing debt	332	515	330	500	693
Cash flows from operating activities	4	82	301	301	542
Average no. of full-time employees	2,910	2,996	2,680	2,581	2,642
Ratios					
Operating margin (%)	3.3	2.0	1.9	1.9	2.2
Equity ratio (%)	28.4	22.2	21.3	20.5	22.8
Equity ratio excl. lease liabilities	30.2	24.8	24.0	23.8	27.9
Revenue per average full-time employee	1.8	1.7	1.7	1.5	1.4
Financial gearing (%)	0.4	0.8	0.6	0.9	1.2

*In evaluating the profit, it should be considered that the shareholders of the Firm are also its partners and that their remuneration is profit related. The remuneration has been recognised in staff costs.

Key figures and ratios are defined and calculated in accordance with the CFA Society Denmark's current version of "Recommendations & Ratios" and as stated below:

Definitions

Operating margin	Operating profit * 100 / Revenue
Equity ratio	Equity * 100 / Balance sheet total
Revenue per average full-time employee	Revenue (DKK'm) / Average no. of full-time employees
Financial gearing excl. lease liabilities	Net interest-bearing debt excl. lease liabilities * / Equity
Financial gearing incl. lease liabilities	Net interest-bearing debt incl. lease liabilities * / Equity

Net interest-bearing debt consist of cash and bank balances and financial liabilities including lease liabilities and contingent consideration for business acquisitions and excluding operating liabilities.

Statement by Management on the annual report

Management has today considered and approved the annual report of Deloitte Statsautoriseret Revisionspartnerselskab for the financial year 1 June 2023 to 31 May 2024.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 May 2024 and of the results of their operations and cash flows for the financial year 1 June 2023 to 31 May 2024.

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

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 5 September 2024.

Chief Executive Officer

Christian Schelde Jensby

Board of Directors

Lars Kronow
Chairman

Gustav Jeppesen

Therese Kjellberg

Rene Winther Pedersen

Jane Whitlock

Nidha Rizwan

Mette-Katrine Hviid

Independent auditor's report

Independent auditor's report

To the shareholders of Deloitte Statsautoriseret Revisionspartnerselskab

Opinion
We have audited the consolidated financial statements and the parent financial statements of Deloitte Statsautoriseret Revisionspartnerselskab for the financial year 01.06.2023 to 31.05.2024, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent 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 financial statements give a true and fair view of the Group's and the Parent's financial position at 31.05.2024 and of the results of their operations and cash flows for the financial year 01.06.2023 to 31.05.2024 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 financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity 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 financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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'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 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'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 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 5 September 2024

Beierholm
Godkendt Revisionspartnerselskab
Business Registration No. 32 89 54 68

Philip Heick-Poulsen
State-Authorised Public Accountant
mne34280

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Statement of comprehensive income for FY24

	Consolidated		Parent	
	FY24 DKK'm	**FY23 DKK'm**	**FY24 DKK'm**	**FY23 DKK'm**
Revenue (1.1)	5,168.3	4,962.7	5,146.6	4,945.2
Staff costs (1.2)	(3,325.4)	(3,327.7)	(3,309.9)	(3,313.7)
External expenses (1.3)	(1,640.9)	(1,416.6)	(1,634.7)	(1,411.0)
Depreciation and amortisation (1.4)	(115.1)	(132.6)	(114.9)	(132.6)
Other operating income (1.5)	83.4	11.4	83.4	11.4
Operating profit	**170.3**	**97.2**	**170.5**	**99.3**
Income from investments in subsidiaries	-	-	0.1	(2.2)
Financial income (3.7)	9.3	3.0	9.0	3.0
Financial expenses (3.8)	(37.7)	(30.8)	(37.7)	(30.7)
Profit for the year	**141.9**	**69.4**	**141.9**	**69.4**
Comprehensive income for the year	**141.9**	**69.4**	**141.9**	**69.4**

Balance sheet 31.05.2024

	Consolidated		Parent	
	FY24 DKK'm	FY23 DKK'm	FY24 DKK'm	FY23 DKK'm
Goodwill (2.1)	714.2	732.2	706.3	724.3
Intellectual property rights (2.2)	2.9	4.4	2.9	4.4
Completed development projects (2.2)	55.5	60.2	55.5	60.2
Development projects in progress (2.2)	0.0	0.0	0.0	0.0
Intangible assets	**772.6**	**796.8**	**764.7**	**788.9**
Right-of-use assets (2.3)	160.1	277.6	160.1	277.6
Leasehold improvements (2.3)	8.7	10.7	8.7	10.7
Operating equipment and fixtures (2.3)	39.4	53.0	39.4	52.9
Property, plant and equipment	**208.2**	**341.3**	**208.2**	**341.2**
Investments in subsidiaries (2.4)	-	-	19.7	26.1
Investments in associates (2.4)	17.2	17.2	17.2	17.2
Deposits and other financial assets (2.4)	43.8	47.1	43.8	47.1
Receivables from associates	16.2	10.2	16.2	10.2
Prepayments	20.1	17.0	20.1	17.0
Other non-current assets	**97.3**	**91.5**	**117.0**	**117.6**
Non-current assets	**1,078.1**	**1,229.6**	**1,089.9**	**1,247.7**
Trade receivables (2.5)	1,000.4	950.4	1,000.4	950.4
Contract assets (2.6)	410.9	390.3	410.6	390.3
Receivables from subsidiaries	-	-	4.0	3.9
Receivables from associates	37.9	-	37.9	-
Other receivables	10.9	8.9	8.8	2.2
Prepayments	73.2	62.5	73.2	62.4
Receivables	**1,533.3**	**1,412.1**	**1,534.9**	**1,409.2**
Cash and bank balances	**202.0**	**209.1**	**190.1**	**191.4**
Current assets	**1,735.3**	**1,621.2**	**1,725.0**	**1,600.6**
Assets	**2,813.4**	**2,850.8**	**2,814.9**	**2,848.3**

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Balance sheet at 31.05.2024 (continued)

	Consolidated		Parent	
	FY24 DKK'm	FY23 DKK'm	FY24 DKK'm	FY23 DKK'm
Share capital (3.1)	52.8	45.6	52.8	45.6
Reserve for equity method	-	-	-	0.0
Reserve for development projects	-	-	55.3	60.0
Retained earnings	744.7	586.2	689.4	526.2
Equity	**797.5**	**631.8**	**797.5**	**631.8**
Lease liabilities (3.4)	84.8	205.8	84.8	205.8
Other financial liabilities (3.5)	286.0	288.4	286.0	288.8
Employee liabilities (2.7)	210.0	204.0	210.0	203.9
Provisions (2.8)	17.1	1.0	17.1	1.0
Non-current liabilities	**597.9**	**699.2**	**597.9**	**699.5**
Lease liabilities (3.4)	88.7	91.9	88.7	91.9
Contingent consideration for business acquisitions (3.5)	-	15.1	-	15.0
Other financial liabilities (3.5)	74.7	122.9	74.7	122.9
Employee liabilities (2.7)	749.6	805.2	746.7	803.0
Contract liabilities (2.6)	142.5	126.8	142.5	126.8
Trade payables (3.5)	238.8	232.7	238.6	232.0
Payables to subsidiaries	-	-	4.7	2.1
Payables to associates	10.0	5.9	10.0	5.9
Other liabilities (3.3)	113.7	119.3	113.6	117.4
Current liabilities	**1,418.0**	**1,519.8**	**1,419.5**	**1,517.0**
Liabilities	**2,015.9**	**2,219.0**	**2,017.4**	**2,216.5**
Equity and liabilities	**2,813.4**	**2,850.8**	**2,814.9**	**2,848.3**

Consolidated statement of changes in equity for FY24

	Share capital DKK'm	Retained earnings DKK'm	Total DKK'm
Equity at 31.05.2022	**42.0**	**536.3**	**578.3**
Profit for the year	-	69.4	69.4
Comprehensive income for the year	**-**	**69.4**	**69.4**
Capital increase	3.6	40.8	44.4
Dividend paid	-	(60.3)	(60.3)
Equity at 31.05.2023	**45.6**	**586.2**	**631.8**
Profit for the year	-	141.9	141.9
Comprehensive income for the year	**-**	**141.9**	**141.9**
Capital increase	7.2	82.2	89.4
Dividend paid	-	(65.6)	(65.6)
Equity at 31.05.2024	**52.8**	**744.7**	**797.5**

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Parent statement of changes in equity for FY24

	Share capital DKK'm	Reserve for development projects DKK'm	Retained earnings DKK'm	Total DKK'm
Restated equity at 31.05.2022	**42.0**	**56.8**	**479.5**	**578.3**
Profit for the year	-	3.2	66.2	69.4
Comprehensive income for the year	**-**	**3.2**	**66.2**	**69.4**
Capital increase	3.6	-	40.8	44.4
Dividend paid	-	-	(60.3)	(60.3)
Equity at 31.05.2023	**45.6**	**60.0**	**526.2**	**631.8**
Profit for the year	-	(4.7)	146.6	141.9
Comprehensive income for the year	**-**	**(4.7)**	**146.6**	**141.9**
Capital increase	7.2	-	82.2	89.4
Dividend paid	-	-	(65.6)	(65.6)
Equity at 31.05.2024	**52.8**	**55.3**	**689.4**	**797.5**

Cash flow statement for FY24

	Consolidated		Parent	
	FY24 DKK'm	FY23 DKK'm	FY24 DKK'm	FY23 DKK'm
Operating profit	170.3	97.2	170.5	99.3
Adjustments for non-cash items:				
Depreciation and amortisation (1.4)	115.1	132.6	114.9	132.6
Profit from divestment of businesses	(83.4)	-	(83.4)	-
Increase/decrease in provisions	16.1	0.7	16.1	0.7
Increase/decrease in long-term employee liabilities (2.7)	(3.6)	9.4	(3.5)	11.5
Operating cash flow before working capital changes	**214.5**	**239.9**	**214.6**	**244.1**
Increase/decrease in short-term employee liabilities	(55.6)	(31.2)	(56.3)	(31.5)
Increase/decrease in trade payables and other liabilities	(2.5)	75.6	2.4	75.8
Increase/decrease in trade receivables and contract assets	(63.2)	(214.9)	(62.9)	(215.3)
Increase/decrease in other receivables etc.	(64.6)	34.8	(69.4)	34.5
Increase/decrease in pavables to associates	4.1	5.9	4.1	5.9
Operating cash flow before financial income and expenses	**32.7**	**110.1**	**32.5**	**113.5**
Interest income etc. received (3.7)	9.3	3.0	9.0	3.0
Interest expenses etc. paid (3.8)	(37.7)	(30.8)	(37.7)	(30.7)
Cash flows from operating activities	**4.3**	**82.3**	**3.8**	**85.8**
Purchase of intangible assets	(3.9)	(21.2)	(3.9)	(21.2)
Sale of intangible assets	-	3.2	-	3.2
Purchase of property, plant and equipment	(13.5)	(36.2)	(13.3)	(47.1)
Sale of property, plant and equipment	9.9	2.5	9.9	2.6
Acquisition of businesses (4.1)	(15.1)	(107.0)	(15.0)	0.0
Divestment of businesses (4.1)	127.6	-	127.6	-
Acquisition of subsidiaries and capital increase (4.1)	-	-	6.4	(107.0)
Investment in associates	-	(4.6)	0.0	(4.6)
Investment in other financial assets, net	3.3	(5.0)	3.3	(5.0)
Cash flows from investing activities	**108.3**	**(168.3)**	**115.0**	**(179.1)**

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Cash flow statement for FY24 (continued)

	Consolidated		Parent	
	FY24 DKK'm	FY23 DKK'm	FY24 DKK'm	FY23 DKK'm
Repayment of lease liabilities	(92.9)	(92.0)	(92.9)	(92.0)
Capital increase - Equity	89.4	44.4	89.4	44.4
Draw downs and repayments of financial liabilities (3.3)	(50.6)	(0.9)	(51.0)	(0.6)
Dividend paid	(65.6)	(60.3)	(65.6)	(60.3)
Cash flows from financing activities	**(119.7)**	**(108.8)**	**(120.1)**	**(108.5)**
Increase/decrease in cash and cash equivalents	**(7.1)**	**(194.8)**	**(1.3)**	**(201.8)**
Cash and cash equivalents at 01.06	209.1	403.9	191.4	393.2
Cash and cash equivalents at 31.05 (3.6)	**202.0**	**209.1**	**190.1**	**191.4**

Summary of notes to the financial statements

Summary of notes to the financial statements

Note disclosures, description of accounting policies and description of significant accounting judgements and estimates made in preparing the consolidated financial statements are divided into four sections which outline the various elements of the financial statements, including the individual line items. This division means that accounting policies, significant accounting judgements and estimates and monetary specifications are presented together for the individual financial statement items and notes.

For reasons of clarity, descriptions are marked as follows:

- § Accounting policies
- # Significant accounting judgements and estimates
- ! RIsks

Annual report Financial review FY24

0. Accounting policies in general

§ **0.1 Framework**
Deloitte Statsautoriseret Revisionspartnerselskab ("the Company" or "the Parent" and together with its subsidiaries "the Group or "the Firm") is a limited partnership company domiciled in Copenhagen, Denmark.

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

Through out the annual report, "FY24" and "FY23" are used as abbreviations of the accounting periods 1 June 2023 - 31 May 2024 and 1 June 2022 - 31 May 2023 respectively.

§ **0.2 Changes in accounting policies**
A number of new and amended Standards and Interpretations have come into force for financial years beginning on or after 1 June 2023. None of these have had any effect on the consolidated or parent financial statements.

The accounting policies applied for the consolidated financial statements are unchanged compared to last year apart from minor clarifications in the note disclosures.

§ **0.3 Basis of accounting**
The consolidated financial statements are presented in Danish kroner, which is the Company's and its subsidiaries' functional currency.

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

§ **0.4 Consolidated financial statements**
The consolidated financial statements comprise Deloitte Statsautoriseret Revisionspartnerselskab (Parent) and the group enterprises (subsidiaries) that are controlled by the Parent.

The Parent controls a subsidiary when the Parent is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its control over the subsidiary. Control is normally obtained if the Parent holds more than 50% of the voting rights in the subsidiary.

Enterprises in which the Firm, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

0.5 Significant accounting judgements and estimates
In the process of applying the Firm's accounting policies, certain judgements have been made by Management.

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

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

In preparing the financial statements, significant judgements have been made for the following:

- Evaluation of principal/agency relationships in terms of revenue recognition and presentation (Note 1.1).

Significant accounting estimates have been made for the following elements:

- Determination of the value of contract assets (Notes 1.1 and 2.6)
- Calculation of value-in-use when testing goodwill for impairment (Note 2.1)
- Allowance for expected losses on receivables (Note 2.5)
- Measurement of provisions (Note 2.8).

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

§ **0.7 Taxation**
As limited partnership companies, the Company and its major subsidiaries are not independent taxpayers, as the liability to pay tax falls on the Firm's equity partners. Therefore, no current tax or deferred tax is recognised in the consolidated financial statements.

§ **0.8 Standards and Interpretations not yet in force**
At the time when the annual report FY24 was authorised for issue, the IASB and the IFRS Interpretations Committee have issued a number of new Standards and Interpretations and related amendments, which will only enter into force for the Firm's financial years beginning after 31 May 2023. These Standards and Interpretations have, therefore, not been applied in the preparation of the consolidated financial statements for the current year.

Apart from IFRS 18 Presentation and Disclosure in Financial Statements, which potentially will change the presentation of statement of comprehensive income as from FY28, the new and amended standards and interpretations, are not expected to have any significant impact on future financial statements. In relation to IFRS 18, the Management is currently evaluating the potential impact of the standard. IFRS 18 is not yet endorsed by the EU.

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

Thus, when presenting the statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement of the consolidated financial statements, it is assessed whether a need exists to disaggregate financial statement items further or whether it is more appropriate to aggregate amounts etc. and, in doing so, enhance transparency.

When preparing the accompanying notes to the consolidated financial statements, the focus is on the content being relevant to the users and on the notes being presented in a clear and informative manner. The assessment, which takes into account the requirements of Danish law, International Financial Reporting Standards and Interpretations, and with the overarching objective that the consolidated financial statements as a whole must give a true and fair view, has entailed that information deemed immaterial by Management has been omitted from the consolidated and parent financial statements.

0.10 Parent financial statements
The parent financial statements for FY24 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports for reporting class C (large) enterprises, as required by the Danish Executive Order on IFRS adoption issued in accordance with the Danish Financial Statements Act.

The accounting principles applied to the parent financial statements are similar to those applied to the consolidated financial statements, with the addition of accounting principles for investments in subsidiaries, refer to Note 2.4.

The Parent's activities generally account for 99% to 100% of the Group's activities. Therefore, note disclosures are generally identical for the Parent and the Group or with only immaterial deviations between the Parent's and the Group's disclosures.

1. Operating profit or loss

1.1 Revenue from contracts with customers
The Firm generates revenue primarily by delivering to customers the types of professional services offered by the business units of Audit & Assurance, Consulting, Tax & Legal, Risk Advisory, and Financial Advisory.

	Consolidated		Parent	
	FY24 DKK'm	FY23 DKK'm	FY24 DKK'm	FY23 DKK'm
Revenue by geography:				
Denmark	4,244.2	4,124.8	4,222.5	4,107.3
Other Nordic countries	636.2	508.4	636.2	508.4
Rest of the world	287.9	329.5	287.9	329.5
	5,168.3	**4,962.7**	**5,146.6**	**4,945.2**

Each business unit offers a wide range of services and, when delivered to individual customers, these are almost always distinct in nature. However, the performance obligations tend to be consistent from customer to customer, and the ones the Firm most commonly satisfies are unchanged from last year.

- External audit services.
- Technology solution design and implementation.
- Strategy and consulting services.
- Direct and indirect tax compliance and advisory services.
- Legal services.
- Business and compliance services.
- Corporate finance advisory.
- M&A transactions and related services.
- Cyber risk services.

The amount of revenue the Firm receives varies both from service to service and from customer to customer, reflecting the distinct nature of the services the Firm provides, and typically reflecting the skills and experience of the individuals who provide the services.

The consideration the Firm receives is typically based on one or more of these principal pricing mechanisms:

- Time and materials.
- Fixed fee.
- Contingent fee.

Most of the Firm's contractual arrangements with customers comprise a single performance obligation. For those contractual arrangements that comprise multiple performance obligations, the transaction price is allocated based on the relative estimated stand-alone selling price of each performance obligation.

The Firm has determined that no significant financing component exists in respect of its professional services as the period between when the Firm transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

As a provider of professional services, the Firm is exposed to professional liability claims. See Note 2.8.

1.1 Revenue from contracts with customers (continued)

Accounting policies

Other than for contingent fees which are constrained in accordance with the requirements of IFRS 15, the Firm has an enforceable right to payment for services rendered and, given the distinct nature of the services provided, recognises revenue over time as such services are rendered.

The Firm measures progress in satisfying the performance obligations as follows:

- For time and materials arrangements, the Firm recognises revenue based on time charged to date. This output method approach uses the practical expedient in IFRS 15 with the amount recognised as revenue reflecting the amount that the Firm has the right to invoice its customers for.
- For fixed fee arrangements, the Firm uses an input method based upon the value of the hours charged to the engagement to date compared to the total expected inputs. Chargeable time for employees tends to be the most significant input and this is charged to individual contracts (and performance obligations) via timesheet reporting. Revenues are recognised as employee time used to provide the services.
- Contingent fees are typically recognised when the contingency is resolved.

Significant accounting judgements and estimates

Evaluation of principal/agency relationships (accounting judgement)

When a revenue transaction involves a third party in providing goods or services to a customer, the Firm must determine whether the nature of its promise to the customer is to provide the underlying goods or services itself (i.e., the Firm is the principal in the transaction) or to arrange for the third party, e.g., other Deloitte member firms to provide the underlying goods or services directly to the customer (i.e., the Firm is the agent in the transaction). Due to the complexities of some of these arrangements, this determination may require significant judgement, including an assessment as to whether the Firm controls a specified good or service before it is transferred to a customer. If this is deemed to be the case, the Firm recognises revenue on a gross basis – if not, revenue is recognised on a net basis.

Value of contract assets (accounting estimate)

Contract assets in the form of contract work in progress are recognised at the amount equal to the consideration that Management expects the Firm to be entitled to receive for the work carried out at the balance sheet date.

Estimates are made regarding measuring progress satisfying the performance obligations and establishing when contingencies are satisfactory resolved.

At 31 May 2024, the value of contract assets recognised at selling price totalled DKK 3,004m before offsetting of amounts invoiced on account (31 May 2023: DKK 3,470m).

	Consolidated		Parent	
	FY24 DKK'm	**FY23 DKK'm**	**FY24 DKK'm**	**FY23 DKK'm**
Revenue Revenue from contracts with customers is broken down by business unit as follows:				
Audit & Assurance	1,502.7	1,537.4	1,484.6	1,520.7
Consulting	1,963.6	1,768.5	1,960.0	1,767.7
Tax & Legal	793.7	721.0	793.7	721.0
Risk Advisory	488.8	468.9	488.8	468.9
Financial Advisory	419.5	466.9	419.5	466.9
	5,168.3	**4,962.7**	**5,146.6**	**4,945.2**

1.2 Staff costs

Staff costs comprise salaries, bonuses, remuneration and social security expenses etc. for the financial year for the Firm's employees and partners, including stay-on fees offered when acquiring businesses. Staff costs also include accumulation of costs relating to employees' future jubilee benefits.

Key Management Personnel includes the Firm's Board of Directors, the Chief Executive Officer and other members of the Executive team.

	Consolidated		Parent	
	FY24 DKK'm	**FY23 DKK'm**	**FY24 DKK'm**	**FY23 DKK'm**
Salaries to employees and remuneration to partners	3,151.9	3.145.8	3,137.5	3,133.0
Long-term employee liabilities, refer to Note 2.7	(1.0)	1.5	(1.0)	1.5
Defined contribution plans	52.6	42.2	52.2	41.9
Other social security expenses	28.8	25.3	28.6	25.0
Other staff costs	93.1	112.9	92.6	112.3
	3,325.4	**3,327.7**	**3,309.9**	**3,313.7**
No. of average full-time employees	2,910	2,996	2,894	2,979
No. of full-time employees at year-end	3,115	3,230	3,098	3,214
Total remuneration to Key Management Personnel	143.8	164.6	143.8	164.6

Remuneration to Key Management Personnel consists of remuneration in the form of short-term employee benefits to equity partners being members of the defined Key Management Personnel. No specific directors' fees were paid to members of the Firm's Board of Directors. Remuneration to the Chief Executive Officer for FY24 and FY23 is not disclosed separately as remuneration has been paid to one person only.

1.3 External expenses

External expenses for the financial year comprise costs of administration, premises, training and education, marketing, loss allowances regarding bad debts, etc. and work carried out by subcontractors where the Firm is acting as principal in the transaction.

	FY24 DKK'm	**FY23 DKK'm**
Work carried out by subcontractors, including other Deloitte member firms	**990.2**	**795.3**

1.4 Depreciation and amortisation

Accounting policies

Intangible assets are amortised, and items of property, plant and equipment are depreciated on a straight-line basis from when the assets are ready for their intended use over their expected useful lives, which are as follows:

Intellectual property rights	1-10 years
Completed development projects	1-12 years
Right-of-use assets	1-11 years
Leasehold improvements	1-10 years
Operating equipment and fixtures	3-8 years

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term taking into consideration options to extend the lease period. The depreciation periods on the leases covers 1 - 11 years set from the commencement date of the lease.

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

	FY24 DKK'm	FY23 DKK'm
Depreciation, amortisation and impairment		
Intellectual property rights	1.5	3.8
Completed development projects	8.6	17.0
Right-of-use assets	88.6	89.7
Leasehold improvements	2.7	2.8
Operating equipment and fixtures	17.2	16.0
Profit or loss on sale of non-current assets	(2.9)	(0.6)
Loss from impairment of non-current assets	(0.6)	3.9
	115.1	**132.6**

1.5 Other operating income

Accounting policies

Other operating income are used to present income and profit that are secondary to the Firm's primary activities, including gains resulting from strategic restructuring decisions in the form of disposal of activities, fair value adjustments of earn-out obligations, etc.

	FY24 DKK'm	FY23 DKK'm
Profit on disposal of activities and client relationships	83.4	9.4
Fair value adjustment of earn-out obligations	-	2.0
	83.4	**11.4**

Fair value adjustments of earn-out obligations relate to adjustments made to deferred contingent consideration that was recognised in previous years regarding acquisitions of businesses.

2. Operating assets and liabilities

2.1 Goodwill

Accounting policies

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

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

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

Significant accounting estimates

Indication of impairment

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

The carrying amount of goodwill is DKK 714m at 31 May 2024 (31 May 2023: DKK 732m). Neither this financial year nor last financial year identified any indication of impairment on goodwill.

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

	Consolidated	Parent
Cost at 01.06.2022	630.7	576.8
Additions from business combinations	103.1	95.2
Reclassification transferred businesses	-	53.9
Disposals	(1.6)	(1.6)
Cost at 31.05.2023	**732.2**	**724.3**
Carrying amount at 31.05.2023	**732.2**	**724.3**
Cost at 01.06.2023	732.2	724.3
Disposals	(18.0)	(18.0)
Cost at 31.05.2024	**714.2**	**706.3**
Carrying amount at 31.05.2024	**714.2**	**706.3**

2.1 Goodwill (continued)

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

	Consolidated		Parent	
	FY24 DKK'm	FY23 DKK'm	FY24 DKK'm	FY23 DKK'm
Goodwill				
Audit & Assurance	363.9	381.9	363.9	381.9
Consulting	283.4	283.4	275.5	275.5
Tax & Legal	18.6	18.6	18.6	18.6
Risk Advisory	47.8	47.8	47.8	47.8
Financial Advisory	0.5	0.5	0.5	0.5
	714.2	**732.2**	**706.3**	**724.3**

Development

In FY24 a disposal of DKK 18m was recorded in relation to the divestment described in Note 4.1. During FY23 goodwill captured in investment in subsidiaries have been transferred to goodwill in the parent company in line with the relocation of the activity from subsidiaries to the parent company. The acquisition regarding Framework as described in Note 4.1.

Determination of recoverable amount

When determining value-in-use for cash-generating units to which goodwill is allocated, the expected future cash flows have been used that can be derived from Management-approved budgets for the coming financial years, aiming for a normalised growth rate and working capital at the end of the budget and forecast period of five years leading into the terminal period. For accounting periods after the forecast period (terminal period), estimated normalised cash flows in the last forecast period have been subjected to extrapolation. When calculating the cash flows, remuneration to equity partners is deducted at an estimated amount based on the average remuneration to non-equity partners including a percentage add-on based on the difference in average cost rates.

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

The discount rates determined reflect the risk-free interest rate at the balance sheet date and the estimated specific risks associated with the assets and cash flows of each cash-generating unit. The discount rate is determined on the basis of the assessed Weighted Average Cost of Capital (WACC) for each cash-generating unit. The pre-tax discount rate applied to Audit & Assurance is 9.6% (FY23: 11.4%) and for Tax & Legal it is 9.7% (FY23: 11.4%). For Consulting, Risk Advisory and Financial Advisory the discount rates used are 10.7%, 10.8% and 11.7% (FY23: 12.2%, 12.4% and 12.4%), respectively.

The growth rates and earnings margins used are based on Management's expectations for the development of the respective business units during the budget and forecast periods and the terminal period. These expectations are based on previous experience, budgets, defined strategic goals, etc. Expected price increases due to inflation, etc. are included in the budget and forecasts.

The terminal period growth rate used is not estimated to exceed the average long-term growth rates for the markets as a whole. The terminal period growth rate used is 2.0% (FY23: 2.0%).

§ 2.2 Other intangible assets

Accounting policies

The cost of development projects comprises costs, including salaries and depreciation or amortisation of assets that are directly attributable to the development projects. Amortisation of completed development projects commences when the asset is available for its intended use.

For software-as-a-service arrangements only expenses related to configuration and customisation of software where the underlying software is controlled by the Company are capitalised as intangible assets. If expenses are related to configuration and customisation of software controlled and provided by a third party and the expenses are related to functionality, etc. that cannot be separated from the software offered by the third party, such expenses are regarded as part of the payments to the software provider and recognised as prepayments to be expensed over the contract period. All other expenses related to configuration and customisation of software not controlled by the Company are expensed as incurred.

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

Other intangible assets are reviewed annually for any indication of impairment. Development projects in progress are tested once a year for impairment. If it is not possible to estimate the recoverable amount of the individual project, the recoverable amount is determined for the cash-generating unit to which the project belongs. Impairment tests are carried out applying the same policies and assumptions as described above for goodwill.

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2.2 Other intangible assets (continued)

	Intellectual property rights DKK'm	Completed development projects DKK'm	Development projects in progress DKK'm
Cost at 01.06.2022	71.7	206.6	4.1
Additions	-	-	21.2
Transfer	-	24.3	(24.3)
Disposals	-	-	(1.0)
Cost at 31.05.2023	**71.7**	**230.9**	**-**
Amortisation and impairment losses at 01.06.2022	(63.5)	(153.7)	-
Amortisation for the year	(3.8)	(17.0)	-
Amortisation and impairment losses at 31.05.2023	**(67.3)**	**(170.7)**	**-**
Carrying amount at 31.05.2023	**4.4**	**60.2**	**-**
Cost at 01.06.2023	71.7	230.9	0.0
Additions	-	-	3.9
Transfer	-	3.9	(3.9)
Disposal	(23.6)	(6.3)	-
Cost at 31.05.2024	**48.1**	**228.5**	**-**
Amortisation and impairment losses at 01.06.2023	(67.3)	(170.7)	-
Amortisation for the year	(1.5)	(8.6)	-
Reversal regarding disposals	23.6	6.3	-
Amortisation and impairment losses at 31.05.2024	**(45.2)**	**(173.0)**	**-**
Carrying amount at 31.05.2024	**2.9**	**55.5**	**-**

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

2.3 Property, plant and equipment

§ **Accounting policies**

Right-of-use assets, leasehold improvements, operating equipment and fixtures are measured at cost less accumulated depreciation and impairment losses.

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

Cost of right-of-use assets comprises the following:

- The amount of the initial measurement of lease liabilities.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs.

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

Items of property, plant and equipment are reviewed annually for any indication of impairment. Impairment tests are carried out applying the same policies and assumptions as described above for goodwill. Neither this financial year nor last financial identified any indication of impairment.

	Right-of-use assets DKK’m	Leasehold improvements DKK'm	Operating equipment and fixtures DKK'm
Cost at 01.06.2022	562.3	27.0	135.0
Correction prior year	9.5	-	0.4
Additions from business combinations	-	-	0.3
Other additions	78.2	1.0	39.7
Disposals	(3.4)	-	(6.5)
Cost at 31.05.2023	**646.6**	**28.0**	**168.9**
Depreciation and impairment losses at 01.06.2022	(272.0)	(14.5)	(104.0)
Correction prior year	(9.5)	-	(0.4)
Depreciation for the year	(89.7)	(2.8)	(16.0)
Impairment losses	(1.2)	-	-
Reversal regarding disposals	3.4	-	4.5
Depreciation and impairment losses at 31.05.2023	**(369.0)**	**(17.3)**	**(115.9)**
Carrying amount at 31.05.2023	**277.6**	**10.7**	**53.0**
Cost at 01.06.2023	646.6	28.0	168.9
Correction prior year	(19.8)	-	-
Additions	0.4	2.6	10.9
Disposals	(62.9)	(4.9)	(61.4)
Cost at 31.05.2024	**564.3**	**25.7**	**118.4**

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2.3 Property, plant and equipment (continued)

	Right-of-use assets DKK'm	Leasehold improvements DKK'm	Operating equipment and fixtures DKK'm
Depreciation and impairment losses at 01.06.2023	(369.0)	(17.3)	(115.9)
Correction prior year	19.8	-	-
Depreciation for the year	(88.6)	(2.7)	(17.2)
Reversal of impairment losses	2.6	-	-
Reversal regarding disposals	31.0	3.0	54.1
Depreciation and impairment losses at 31.05.2024	**(404.2)**	**(17.0)**	**(79.0)**
Carrying amount at 31.05.2024	**160.1**	**8.7**	**39.4**

§ **2.4 Other non-current assets**

Accounting policies

Other non-current assets include investments in associates, deposits in connection with the inception of lease contracts, which are repaid when such contracts expire, other non-current receivables and for the parent financial statements also investments in subsidiaries. As a rule, the deposits are indexed on an annual basis. The deposits are recognised as collateral given and are measured at cost.

Deloitte Statsautoriseret Revisionspartnerselskab holds 20% of the shares in the associate Deloitte Nordic A/S and 40% of the shares in the associate Deloitte Nordic Holding ApS, both registered in Copenhagen. The purpose of these companies is for the Nordic Deloitte member firms to share investments and costs related to joint investments in activities, business development and development of market activities. These companies are therefore not expected to make either profits or losses. The companies are recognised according to the equity method, and Deloitte Statsautoriseret Revisionspartnerselskab's share of net profit in these companies amounts to DKK 0.0m for FY24 (FY23: DKK 0.0m). The share of the companies' total equity is DKK 0.1m (31 May 2023: DKK 0.1m), which has been recognised as investment in associate.

Deloitte Statsautoriseret Revisionspartnerselskab has granted a long-term interest-bearing loan to Deloitte Nordic Holding ApS in the amount of DKK 33.4m, which will be repaid at par value when Deloitte Nordic Holding ApS recovers the underlying investment financed by this loan. The loan is at initial recognition designated as being measured at fair value through profit and loss. The fair value of the loan is estimated at DKK 16.2m based on the estimated time of repayment and an associated required return on the investment. The difference between the par value and the fair value of the loan, DKK 17.2m, is considered a deemed capital contribution to Deloitte Nordic Holding ApS which is presented as part of the investment in this associate.

In the Parent financial statements, investments in subsidiaries are recognised according to the equity method. This means that investments are measured at the pro rata share of the subsidiaries' equity value less unrealised intra-group profits. The Parent's share of the subsidiaries' profits or losses after elimination of unrealised intra-group profits is recognised in the statement of comprehensive income.

Subsidiaries with a negative equity value are measured at zero value, and any receivables from these enterprises are written down by the Parent's share of such negative equity value to the extent the receivable is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised in provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise and expects to incur a loss due to such obligation.

2.4 Other non-current assets (continued)

For the Parent company, positive net revaluation of investments in subsidiaries and associates is transferred to reserve for net revaluation according to the equity method in equity.

The purchase method is applied in the acquisition of investments in subsidiaries; refer to the description in Note 4.1 to the consolidated financial statements.

	Parent
	Investments in subsidiaries DKK'm
Cost at 01.06.2022	70.6
Additions	20.4
Reclassification transferred businesses	(53.9)
Cost at 31.05.2023	**37.1**
Adjustment at 01.06.2022	(8.8)
Share of profit for the year	(2.2)
Adjustment at 31.05.2023	**(11.0)**
Carrying amount at 31.05.2023	**26.1**
Cost at 01.06.2023	37.1
Disposal	(6.5)
Cost at 31.05.2024	**30.6**
Adjustment at 01.06.2023	(11.0)
Share of profit for the year	0.1
Adjustment at 31.05.2024	**(10.9)**
Carrying amount at 31.05.2024	**19.7**

Investments in subsidiaries comprise:

- Deloitte PensionManagement Brokers P/S, Weidekampsgade 6, 2300 Copenhagen, Denmark, 100%
- Framework Digital P/S, Weidekampsgade 6, 2300 Copenhagen, Denmark, 100%
- Framework Digital Komplementar ApS, Weidekampsgade 6, 2300 Copenhagen, Denmark, 100%
- Deloitte ApS, Weidekampsgade 6, 2300 Copenhagen, Denmark, 100%

Struensee & Co. Komplementar ApS and Struensee & Co. Management Consulting P/S have been dissolved during the year and their activities transferred to the parent company.

2.5 Receivables

Accounting policies

Receivables comprise trade receivables and other receivables.

On initial recognition, trade receivables are measured at the transaction price and other receivables at fair value and subsequently at amortised cost, which usually equals the nominal value less any loss allowance for bad debts. Loss allowance for trade receivables is recognised at an amount equal to lifetime expected credit losses (ECL).

Significant accounting estimates

The expected credit losses are estimated using a provision matrix by reference to past default experience of the debtor, general economic conditions, and an assessment of both the current and the forecast direction of conditions at the reporting date. Refer also to Note 3.5 for a description of credit risks.

	FY24 DKK'm	FY23 DKK'm
Trade receivables	1,028.7	981.7
Allowance for expected lifetime credit losses	(28.3)	(31.3)
Net trade receivables	**1,000.4**	**950.4**
Not due for payment	814.8	749.1
Overdue less than 30 days	101.3	134.4
Overdue 31-60 days	35.8	33.5
Overdue 61-90 days	12.2	8.0
Overdue 91-120 days	13.6	7.5
Overdue more than 121 days	51.0	49.2
Trade receivables	**1,028.7**	**981.7**
Loss allowance for trade receivables		
Loss allowance at 01.06	31.3	29.0
Additions	5.1	7.9
Reversals	(7.0)	(3.7)
Realised	(1.1)	(1.9)
Loss allowance at 31.05	**28.3**	**31.3**

2.5 Receivables (continued)

	Expected default rate FY24 %	Expected default rate FY23 %	Balance FY24 DKK'm	Balance FY23 DKK'm	Loss allowance FY24 DKK'm	Loss allowance FY23 DKK'm
Not due for payment	0.2	0.2	814.8	749.1	1.4	1.8
Overdue less than 30 days	1.4	1.9	101.3	134.4	1.4	2.5
Overdue 31-60 days	3.1	3.5	35.8	33.5	1.1	1.1
Overdue 61-90 days	5.1	6.3	12.2	8.0	0.6	0.5
Overdue 91-120 days	8.9	7.1	13.6	7.5	1.2	0.5
Overdue more than 121 days	44.3	50.4	51.0	49.2	22.6	24.9
Trade receivables			**1,028.7**	**981.7**	**28.3**	**31.3**

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2.6 Contract assets

Accounting policies

Contract assets are measured at the selling price of the work performed at the balance sheet date, net of amounts invoiced on account.

For time and materials arrangements, the Firm recognise revenue on the basis of time charged to date. This output method approach uses the practical expedient in IFRS 15 with the amount recognised as revenue reflecting the amount that the Firm has the right to invoice its customers for.

For fixed fee arrangements, the Firm uses an input method based upon the value of the hours charged to the engagement to date compared to the total expected inputs. Chargeable time for employees tends to be the most significant input and this is charged to individual contracts (and performance obligations) via timesheet reporting. Revenues are recognised as employee time is used to provide the services.

Contingent fees are recognised when the contingency is resolved.

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

Significant accounting judgements and estimates

The selling price of the work carried out at the balance sheet date is determined based on time spent and Management's assessment of the expected consideration to which the Firm will be entitled.

2.6 Contract assets (continued)

	FY24 DKK'm	FY23 DKK'm
Contract assets at selling price	3,604.0	3,470.1
Invoiced on account	(3,335.6)	(3,206.6)
	268.4	**263.5**
Net value is recognised in the balance sheet as follows:		
Contract assets	410.9	390.3
Contract liabilities	(142.5)	(126.8)
	268.4	**263.5**

Impairment losses and loss allowances on contract assets are considered immaterial.

The table below summarises the key changes in the contract assets and liabilities of the Firm during the year:

	Consolidated		Parent	
	Contract assets DKK'm	Contract liabilities DKK'm	Contract assets DKK'm	Contract liabilities DKK'm
At 01.06.2022	185.1	94.8	184.7	94.8
Increase/decrease	205.2	32.0	205.6	32.0
At 31.05.2023	**390.3**	**126.8**	**390.3**	**126.8**
At 01.06.2023	390.3	126.8	390.3	126.8
Increase/decrease	20.6	15.7	20.3	15.7
At 31.05.2024	**410.9**	**142.5**	**410.6**	**142.5**

Outstanding performance obligations

In all business units apart from Audit & Assurance, both the customer and Deloitte generally have the right to terminate the contracts applying a notice period of up to three months. Therefore, as per IFRS 15, contracts in these business units are exempt from the requirement to disclose outstanding performance obligations, as the expected duration of the contracts is less than one year.

An analysis of the recognised revenue for previous years shows that only insignificant revenue of a given year's total revenue relate to contracts which were set up more than one year before the financial year in question. For this reason, no further disclosure of outstanding performance obligations is considered necessary.

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2.7 Employee liabilities

Accounting policies

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

Provisions for jubilee benefits etc.

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

Long-term vacation allowance

In 2019, the Danish Holiday Act was amended. As a result, holiday pay earned by the employees from 1 September 2019 to 31 August 2020 is deferred and settled only when the employees retire. The long-term vacation allowance is measured at the present value of the amount being payable when the employee is expected to retire. The vacation allowance is presented as a current or a non-current employee liability depending on the estimated retirement date.

Short-term vacation allowance and other employee liabilities

Short-term vacation allowance represents the amount the Firm expects to pay to the employee when absent due to vacation. Other short-term employee liabilities consist of payable bonusses, residual payments to partners, termination benefits, etc.

	FY24 DKK'm	FY23 DKK'm
Provisions for jubilee benefits at 01.06	8.8	7.6
Adjustment for the financial year (recognised as 'Other staff costs')	0.6	0.5
Interest expenses (recognised as 'Other staff costs')	0.2	0.2
Actuarial (gains)/losses (recognised as 'Other staff costs')	(1.6)	0.8
Jubilee benefits paid	(0.9)	(0.3)
Transfer to short-term jubilee benefits	(0.8)	(0.9)
Provisions for jubilee benefits at 31.05	**6.3**	**7.9**
Long-term vacation allowance	203.7	196.1
Long-term employee liabilities at 31.05	**210.0**	**204.0**
Short-term jubilee benefits	0.8	0.9
Short-term vacation allowance	181.5	173.3
Other short-term employee liabilities	567.3	631.0
Short-term employee liabilities at 31.05	**749.6**	**805.2**

2.8 Provisions

Accounting policies

Provisions comprise expected costs in connection with known professional liability claims.

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

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

	FY24 DKK'm	FY23 DKK'm
Professional liability claims at 01.06	1.0	0.3
Used in the financial year	(1.0)	(0.3)
Provisions in the financial year	17.1	1.0
Professional liability claims at 31.05	**17.1**	**1.0**
Provisions at 31.05	**17.1**	**1.0**

The Firm is a party to various lawsuits and disputes. The outcome and timing of settlement of professional liability claims is inherently uncertain but most of the claims are assessed as being closed in full within the next few years. Fees for legal assistance etc. in connection with handling the claims are recognised when the services are received and not included in the provision. The liabilities are presented after offsetting any insurance cover, as information about expected claims etc. is considered to seriously prejudice the position of the Firm.

3. Capital structure and financing

3.1 Share capital

	FY24 DKK	FY23 DKK
The share capital is made up of:		
A-shares, 132 shares at a nominal value of DKK 0.4m	52,800,000	45,600,000
B-shares, 40 shares at a nominal value of DKK 0.0m	4,000	3,000
Nominal value at 31.05	**52,804,000**	**45,603,000**

No shares have special rights, except that at the annual general meeting, both each A share (nominal value DKK 0.4m) gives one vote, as well as each B share (nominal DKK 0.0m). Shareholders of B shares are not entitled to dividend.

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3.2 Dividend

Accounting policies

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

For the financial year FY24, the Board of Directors has proposed a dividend of DKK 75.9m (FY23: DKK 65.6m), equivalent to DKK 0.6m per share (FY23: DKK 0.6m per share), which will be paid to the equity partners after the Firm's Annual General Meeting on 30 October 2024, provided that the Annual General Meeting adopts the Board of Directors' proposal. Each equity partner holds directly or indirectly one A-share in the Firm. As the dividend is conditional upon adoption by the Annual General Meeting, it has not been recognised as a liability in the balance sheet at 31 May 2024.

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3.3 Financial liabilities

Accounting policies

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

On initial recognition, financial liabilities are measured at fair value, which usually corresponds to the proceeds received, less any transaction costs. Subsequently, contingent consideration for business acquisitions is measured at fair value through profit or loss, while other financial liabilities are measured at amortised cost.

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	FY24 DKK'm	FY23 DKK'm
VAT, A tax and social security expenses	97.3	104.9
Other expenses payable	16.4	14.4
Other liabilities at 31.05	**113.7**	**119.3**
Other financial liabilities at 01.06, refer to Note 3.5	411.3	412.8
Net borrowings in long-term other financial liabilities	(2.3)	(2.1)
Net borrowings in short-term other financial liabilities	(48.3)	0.6
Other financial liabilities at 31.05, refer to Note 3.5	**360.7**	**411.3**

3.3 Financial liabilities (continued)

	FY24 DKK'm	FY23 DKK'm
Contingent consideration for business acquisitions at 01.06, refer to Note 3.5	15.1	14.5
Deferred consideration in long-term	-	(9.6)
Deferred consideration in short-term	(15.1)	10.2
Contingent consideration for business acquisitions at 31.05, refer to Note 3.5	**-**	**15.1**

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3.4 Lease liabilities

Accounting policies

the Firm recognise right-of-use assets and corresponding lease liabilities with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating cost on a straight-line basis over the term of the lease. For recognised right-of-use assets, refer to Note 2.3.

Lease liabilities are measured at amortised cost and include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate at the commencement date.

Lease payments to be made under reasonably certain extension options are included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Firm's leases, the Firm´s incremental borrowing rate ('IBR') is used, being the rate that the Firm would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Firm is exposed to potential future increases in variable lease payments based on an index or rate that are not included in the lease liability until they take effect. When such adjustments to lease payments take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Firm remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset, when (a) the lease term changes; (b) the lease payments change; or (c) a lease contract is modified, and the lease modification is not accounted for as a separate lease.

3.4 Lease liabilities (continued)

Amounts recognised in the income statement relating to lease contracts:

	FY24 DKK'm	FY23 DKK'm
Depreciation and write-downs on right-of-use assets (included in 'Depreciation and amortisation')	86.0	90.9
Interest expenses on lease liabilities (included in 'Financial expenses')	2.9	3.7
Costs relating to low-value assets (included in 'External expenses')	21.9	24.4
Income from sub-leasing right-of-use assets (included in 'External expenses')	(2.4)	(2.3)
	108.4	**116.7**

The total cash outflow for leases in the year ended 31 May 2024 was DKK 95.8m (FY23: DKK 95.7m).

Lease liabilities consist of DKK 84.8m long term (FY23: DKK 205.8m) and DKK 88.7m short term (FY23: DKK 91.9m).

3.5 Financial instruments and risks etc.

Categories of financial instruments

	FY24 DKK'm	FY23 DKK'm
Trade receivables	1,000.4	950.4
Receivables from associates	37.9	-
Other receivables	10.9	8.9
Cash and bank balances	202.0	209.1
Financial assets measured at amortised cost	**1,251.2**	**1,168.4**
Receivables from associates, refer to Note 2.4	16.2	10.2
Financial assets measured at fair value	**16.2**	**10.2**
Lease liabilities (short term and long term combined)	173.5	297.7
Other financial liabilities	360.7	411.3
Trade payables	238.8	232.7
Payables to associates	10.0	5.9
Other liabilities	113.7	119.3
Financial liabilities measured at amortised cost	**896.7**	**1,066.9**
Contingent consideration for business acquisitions	-	15.1
Financial liabilities measured at fair value through profit or loss	**-**	**15.1**

The fair value of financial instruments measured at amortised cost is estimated to be equivalent to the carrying amount.

3.5 Financial instruments and risks etc. (continued)

Policy for managing financial risks

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

Currency risks

The Firm's sales transactions are mainly conducted in DKK. 15% (FY23: 15%) of total revenue is denominated in foreign currencies including transactions to memberfirms, primarily in USD, EUR and GBP.

Services purchased abroad, such as insurance, and services purchased from other Deloitte member firms primarily take place in USD, EUR and GBP. In the financial year, services purchased in USD totalled DKK 137m, in EUR they totalled DKK 605m, and in GBP they totalled DKK 167m (FY23: DKK 127m in USD, DKK 512m in EUR, and DKK 95m in GBP).

At the balance sheet date, the Firm has net receivables of DKK 17m in USD (FY23: net receivables of DKK 44m), net receivables of DKK 154m in EUR (FY23: net receivables of DKK 195m) and net payables of DKK 2m in GBP (FY23: net receivables of DKK 17m).

All things being equal, earnings and equity would be negatively affected by DKK 0m (FY23: DKK 0m), if the USD exchange rate had increased by 10% at the balance sheet date. If the GBP exchange rate had increased by 10%, it would have a negative impact on earnings and equity by DKK 0m (FY23: DKK 1m). If the exchange rates had increased, it would have a similar positive impact on earnings and equity. Reasonably possible changes in the EUR exchange rate would only have an insignificant impact on the Firm's earnings and equity.

Interest rate risks

As a result of its financing activities, the Firm is exposed to fluctuations in interest rate levels in Denmark. The interest rate risk has not been hedged.

The Firm's net interest-bearing debt at the balance sheet date (excluding lease liabilities) consists of floating-rate liquid assets (bank deposits) of DKK 202m (FY23: DKK 209m) and financial liabilities of DKK 361m (FY23: DKK 426m).

Interest rate risk mainly related to interest-bearing debt and cash and cash equivalents. An increase in relevant rate of 0.5%-point would have a negative net impact on earnings and equity of DKK 1m for FY24 (FY23: DKK 1m).

Credit risks

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

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

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

Before write-down, trade receivables amount to DKK 1,000m at 31 May 2024 (31 May 2023: DKK 982m). These receivables have been written down by a total of DKK 28m (31 May 2023 DKK 31m) to match the lifetime expected credit loss, refer to Note 2.5. Impairment losses amount to an average of 2.7% of the total receivables (31 May 2023: 3.2%).

3.5 Financial instruments and risks etc. (continued)

Liquidity risks

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

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

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

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

	0-1 years DKK'm	1-5 years DKK'm	> 5 years DKK'm	Total 31.05 DKK'm	Carrying amount 31.05 DKK'm
FY23					
Lease liabilities	95.0	193.4	16.1	304.4	297.7
Contingent consideration for business acquisitions	15.1	-	-	15.1	15.1
Other financial liabilities	144.0	289.7	14.2	447.9	426.3
Trade payables	232.7	-	-	232.7	232.7
Other liabilities	119.3	-	-	119.3	119.3
Employee liabilities	805.2	5.2	198.8	1,009.2	1,009.2
Financial liabilities etc.	**1,411.3**	**488.3**	**229.1**	**2,128.6**	**2,100.3**
FY24					
Lease liabilities	90.3	85.5	-	175.8	173.5
Contingent consideration for business acquisitions	-	-	-	-	-
Other financial liabilities	78.2	291.1	11.7	381.0	360.7
Trade payables	238.8	-	-	238.8	238.8
Other liabilities	113.7	-	-	113.7	113.7
Employee liabilities	749.6	5.3	204.7	959.6	959.6
Financial liabilities etc.	**1,270.6**	**381.9**	**216.4**	**1,868.9**	**1,846.3**

Optimal capital structure

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

§ 3.6 Cash and cash equivalents

Accounting policies

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

Cash and cash equivalents comprise cash and bank balances.

3.7 Financial income

	FY24 DKK'm	FY23 DKK'm
Interest income	9.3	3.0
Financial income	**9.3**	**3.0**

3.8 Financial expenses

	FY24 DKK'm	FY23 DKK'm
Interest expenses on lease liabilities	2.9	3.7
Other interest expenses	32.7	23.7
Interest from financial liabilities measured at amortised cost	**35.6**	**27.4**
Net foreign currency translation adjustments	2.1	3.4
Financial expenses	**37.7**	**30.8**

4. Other notes

§ **4.1 Acquisition and divestment of businesses**
Accounting policies

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

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

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

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

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

Business combinations within the Group are recognised using the book value method, according to which goodwill, assets and liabilities are recognised at book value at the transaction date.

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

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

4.1 Acquisition and divestment of businesses (continued)
FY24
On 1 December 2023, all activities in Audit & Assurance associated with the Esbjerg office and the Health Care segment was divested. This is a result of Audit & Assurance conducting a strategic client focus with the aim of moving up in the market, reducing complexity in the business, and freeing up time to acquire the right clients. The total divestments during the year resulted in other operating income at DKK 83m hereof DKK 75m related to the Esbjerg office and the Health care segment.

	Total DKK'm
Goodwill	103.1
Non-current assets	37.8
Receivables	12.6
Lease liabilities	(37.4)
Employee liabilities	(4.4)
Net assets disposed of	**26.6**
Cost related to the sale	14.6
Gain on disposal	83.4
Total consideration	**124.6**
Satisfied by:	
Cash and cashequivalents	127.6
Deferred consideration	(3.0)
Total consideration transferred	**124.6**

4.1 Acquisition and divestment of businesses (continued)

FY23

With effect from 1 July 2022 the Firm acquired the Danish SAP service provider Framework Digital P/S. With the strategic acquisition of the consultancy company, Deloitte strengthened its position in the Danish SAP market, within project management, and solutions to support digital transformation. As the acquired activities have been fully integrated into existing activities in the consulting segment, it is considered impracticable to disclose revenue and profit from the acquired business.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed in the acquisition are set out in the table below:

	Total DKK'm
Goodwill	103.1
Order backlog	0.2
Intangible assets	**103.3**
Operating equipment and fixtures	0.4
Property, plant and equipment	**0.4**
Deposit	0.6
Other non-current assets	**0.6**
Non-current assets	**104.3**
Trade receivables	13.8
Other receivables and prepaid expenses	8.9
Receivables	**22.7**
Current assets	**22.7**
Assets	**127.0**
Equity	**115.5**
Trade payables	1.7
Employee liabilities	6.6
Other liabilities	3.0
Current liabilities	**11.3**
Deferred tax liabilities	**0.2**
Equity and liabilities	**127.0**

The deferred contingent consideration could be a nominal maximum amount of DKK 4m and a minimum amount of DKK 0 depending on retention of employees.

Goodwill relates primarily to employee capabilities etc. that could not be recognised as separate assets and are allocated to the consulting segment.

4.2 Contingent liabilities etc.

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

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4.3 Fees to the auditor elected at the Annual General Meeting

	Consolidated		Parent	
	FY24 DKK'm	**FY23 DKK'm**	**FY24 DKK'm**	**FY23 DKK'm**
Other external expenses include fees to the Group's auditor elected at the Annual General Meeting in the amount of:				
Statutory audit	0.5	0.5	0.5	0.5
Other assurance engagements	0.2	0.2	0.2	0.2
	0.7	**0.7**	**0.7**	**0.7**

4.4 Related parties

Related parties

No party has control of the Firm.

Related party transactions

Remuneration to Key Management Personnel is disclosed in Note 1.2.

Key Management Personnel has as equity partners directly or indirectly received dividend, refer to Note 3.2.

Interest-bearing debt to Key Management Personnel on 31 May 2024 amounts to DKK 6.5m (31 May 2023: DKK 6.9m). The related interest expenses amount to DKK 0.2m for FY24 (FY23: DKK 0.2m).

Receivables from associates on 31 May 2024 total DKK 54.1m (31 May 2023: DKK 10.2m).
The related interest income amounts to DKK 0.5m for FY24 (FY23: DKK 0.5m).

Deloitte Denmark General Partner ApS is a general partner of the Firm and has received a payment of DKK 25k for its general partner liability for the financial year FY24 (FY23: DKK 10k).

Apart from receivables from and liabilities to subsidiaries, which are presented in the balance sheet, refer to Note 2.4, and income from subsidiaries, which are presented in the statement of comprehensive income, the only significant transaction between the parent company and the subsidiaries have been the reclassification of goodwill related to businesses transferred from the subsidiaries to the parent company at book value, refer to Note 2.4.

4.5 Authorisation of the annual report for issue

The Board of Directors has authorised this annual report for issue at the Board meeting on 5 September 2024. The annual report will be submitted to the Firm's equity partners for adoption at the Annual General Meeting on 30 October 2024.

4.6 Events after the balance sheet date

After the balance sheet date, as of 30 June 2024 and as a part of the strategic focus on serving fewer clients more comprehensively, Deloitte Denmark has made the decision to divest Deloitte Pension Management the independent life insurance brokers who work with life, pension, and health insurance. The divestment will not have a significant effect on the annual report for either FY24 or going forward.

Besides the above no events have occurred from the balance sheet date and until the date of issue that could influence the evaluation of this annual report.

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