

Deloitte Fonden

Weidekampsgade 6
2300 Copenhagen S
CVR No. 11718841

Annual report 01.04.2020 - 31.03.2021

Adopted at the Board of Directors' meeting on
25.06.2021

Peter Hald Appel

On behalf of the Board of Directors

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Entity details

Entity

Deloitte Fonden
Weidekampsgade 6
2300 Copenhagen S

Business Registration No.: 11718841
Registered office: Copenhagen
Financial year: 01.04.2020 - 31.03.2021
Phone number: +45 36102030

Board of Directors

Peter Hald Appel, Chair
Elisabeth Fogtdal Nøjgaard, Deputy Chair
Jesper Jørgensen
Henrik Vedel
Eva Sigurbjörg Thorkelsdóttir
Mette-Katrine Hviid

Executive Board

John Hauschildt Ladekarl, Director

Auditors

Beierholm Statsautoriseret Revisionspartnerselskab
Knud Højgaards Vej 9
2860 Søborg
Business Registration No.: 32895468

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Deloitte Fonden for the financial year 01.04.2020 - 31.03.2021.

The annual report is presented in accordance with 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 Foundation's financial position at 31.03.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.04.2020 - 31.03.2021.

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

The annual report is adopted accordingly.

Copenhagen, 25.06.2021

Executive Board

John Hauschildt Ladekarl

Director

Board of Directors

Peter Hald Appel

Chair

Elisabeth Fogtdal Nøjgaard

Deputy Chair

Jesper Jørgensen

Henrik Vedel

Eva Sigurbjörg Thorkelsdóttir

Mette-Katrine Hviid

Independent auditor's report

To the Board of Directors of Deloitte Fonden

Opinion

We have audited the consolidated financial statements and the parent financial statements of Deloitte Fonden for the financial year 01.04.2020 - 31.03.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Foundation, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with 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 Foundation's financial position at 31.03.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.04.2020 - 31.03.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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 Foundation'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 Foundation 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 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 Foundation'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 Foundation'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 Foundation 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.

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.

Copenhagen, 25.06.2021

Beierholm Statsautoriseret Revisionspartnerselskab

CVR No. 32895468

Philip Heck-Poulsen

State-Authorised Public Accountant

Identification No (MNE) mne34280

Management commentary

Financial highlights

	2020/21	2019/20	2018/19	2017/18	2016/17
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	13,925	52,999	69,254	68,724	67,314
Gross profit/loss	13,060	49,042	67,817	67,917	65,942
Fair value adjustments	1,931	27,588	(6,054)	108,709	52,580
Operating profit/loss	12,260	48,092	67,071	66,692	64,410
Net financials	736	(91,554)	(105,608)	(18,832)	10,837
Profit/loss for the year	10,165	(9,152)	9,024	100,826	64,509
Balance sheet total	404,824	431,244	1,658,408	1,766,833	1,683,227
Investments in property, plant and equipment	0	1,812	1,149	678	65,546
Equity	310,162	329,997	354,149	360,119	273,993
Net interest-bearing debt	73,000	(14,421)	672,965	698,673	717,412
Ratios					
Gross margin (%)	93.79	92.53	97.93	98.83	97.96
Net margin (%)	73.00	(17.27)	13.03	146.71	95.83
Financial gearing	0.24	(0.04)	1.90	1.94	2.62
Equity ratio (%)	76.62	76.52	21.35	20.38	16.28

The comparative figures for 2016/17 are not directly comparable, given that the Group has changed its accounting policy on measurement of interest rate swaps from fair value adjustment recognition in the income statement to recognition as an item under financial income and expenses. The change does not have any monetary effect on the profit for the year, the balance sheet total or the equity.

Net interest-bearing debt is defined as interest-bearing liabilities less interest-bearing assets, including cash and income tax receivable.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark, except that net margin is calculated excluding fair value adjustments and their value for tax purposes.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Financial gearing :

$\frac{\text{Net interest-bearing debt}}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Primary activities

The primary business activities of Deloitte Fonden consist in owning and leasing out Danish properties to Deloitte Statsautoriseret Revisionspartnerselskab. The leased properties serve as owner-occupied properties to Deloitte.

Object

The primary object of the Foundation is to contribute towards the continuance of Deloitte Statsautoriseret Revisionspartnerselskab as an independent firm of accountants of high professional standard. If the audit firm is to continue hiring skilled and knowledgeable talents and retain them, which is considered a key requirement to attain the object of the Foundation, the Foundation must, in circumstances demanding this, provide support to ensure working conditions that are financially satisfactory to the talents employed by the firm, including securing their old age. In addition, part of the Foundation's resources must contribute to the vocational training of staff. Financial support under the above provisions may be granted as a gift or loan.

The secondary object of the Foundation is to carry out distributions in support of scientific research, in particular, the vocational training in the fields of economics and auditing, distributions to art provided in the form of acquisition of works of art and distributions to national charitable or otherwise non-profit purposes at the discretion of the Board of Directors.

Development in activities and finances

This year's operating profit amounted to DKK 12,260 thousand compared to an operating profit of DKK 48,092 thousand last year. This performance is in line with expectations. Profit for the year before fair value adjustments of investment properties and tax amounted to DKK 12,996 thousand against a profit of DKK 39,763 thousand last year. The decreased profit was due to the sale of Deloitte Huset A/S in 2019.

Profit from ordinary activities, i.e. a profit without fair value adjustments of investment properties and financial liabilities, and other operating income and expenses, is considered satisfactory and as expected at the beginning of the financial year.

Consequently, profit for the year amounted to DKK 10,165 thousand compared to a loss of DKK 9,152 thousand last year.

Profit for the year was significantly affected by the sale of the subsidiary Deloitte Huset A/S.

In 2020/21, DKK 30,000 thousand was distributed in accordance with the primary object of the Foundation.

Equity amounted to DKK 310,162 thousand on 31.03.2021 against DKK 329,997 thousand on 31.03.2020.

Outlook

Next year's profit before tax and fair value adjustments is expected to be in the level of DKK 13 million.

Statutory report on foundation governance

The Foundation has decided to follow all recommendations of the Committee on Foundation Governance, except for the recommendation on disclosing the allocation of fees to each member of the Board of Directors. This means:

1.1. The board of directors has adopted guidelines for external communication, including who can make public statements on behalf of the commercial foundation and on what matters. The guidelines should address the need for transparency and stakeholders' needs and possibilities to obtain relevant up-to-date information about the circumstances of the foundation.

2.1.1 In order to secure the activities of the foundation in accordance with the purposes and interests of the foundation, at least once a year the board of directors take a position on the overall strategy and distribution policy of the foundation on the basis of the articles of association.

2.1.2 The board of directors regularly addresses whether the foundation's asset management is in line with the purpose of the foundation and its long- and short-term needs.

2.2.1 It has been decided that the chairman of the board of directors organise, convene and chair meetings of the board of directors in order to ensure effective board work and to establish the best conditions for the work of the board members individually and collectively.

2.2.2 If, in addition to the position as chairman, in exceptional circumstances, the chairman of the board of directors is requested to perform specific operating functions for the commercial foundation, a board resolution be passed which ensures that the board of directors retains its independent, overall management and control function.

2.3.1 The board of directors regularly assesses and stipulates the competences that the board of directors is to possess in order to perform the tasks incumbent upon the board of directors as well as possible.

2.3.2 With due respect of any right in the articles of association to make appointments, the board of directors ensures a structured, thorough and transparent process for selection and nomination of candidates for the board of directors.

2.3.3 Members of the board of directors are appointed on the basis of their personal qualities and competences taking into account the collective competences of the board, and when composing and nominating new members of the board the need for introducing new talent is weighed against the need for continuity and the need for diversity is considered in relation to commercial and grants experience, age, and gender.

2.3.4 The Board of Directors is composed of the following members:

Peter Appel, lawyer with a right of audience in the Danish Supreme Court, 59 years old, partner in Gorrissen & Federspiel, joined the Board of Directors on 01.04.2020.

Peter Appel primarily engages in common business law advice, including management consultancy to clients in the shipping industry, representing several of the largest Danish shipping companies. As an additional area of specialisation, he covers the entire transport sector and infrastructure projects. He represents trade associations such as Danish Shipping, BIMCO, Dansk Transport og Logistik (DTL), Danish Maritime and Global Maritime Forum. He participates in court cases, including arbitration cases. He is regularly appointed as arbitrator.

Leadership and board member experience:

- Board member of A/S United Shipping & Trading Company, Bunker Holding A/S, SDK A/S, Uni-Tankers A/S, Norchem A/S, Clipper Group, BIMCO Informatique A/S, and Nordic Offshore & Maritime Arbitration Association
- Chairman of the board of directors of Fayard A/S, Fayard Holding A/S, The Danish Branch of Comité Maritime International, and Deloitte Fonden

Elisabeth Nøjgaard, former lawyer with a right of audience in the Danish High Court, 57 years old, managing director of Karen Blixen Museum Rungstedlund, joined the Board of Directors on 01.01.2021.

Managing director with experience in leadership, business development, digitisation, and communication. Chairman of the board of directors of the Danish Academy of Creative Writing and the Cross Media School of Children's Fiction, and board member of A/S Ole Haslunds Hus and Kristeligt Dagblad.

Jesper Jørgensen, state-authorised public accountant, 63 years old, joined the Board of Directors on 24.10.2017. Partner specialised in properties and football economy.

Henrik Vedel, state-authorised public accountant, 59 years old, joined the Board of Directors on 24.10.2017. Partner specialised in larger industrial companies.

Mette-Katrine Hviid, MSc in Business Administration and Auditing, 38 years old, joined the Board of Directors on 09.10.2020, elected for four years.

Senior Manager in Audit & Assurance specialised in non-profit housing associations and managerial responsibility.

Eva Sigurbjörg Thorkelsdóttir, 32 years old, joined the Board of Directors on 09.10.2020, elected for four years.

Manager in Digital Transformation specialised in the implementation of new technology.

The following board members have retired during the year

Peter Preis, lawyer with a right of audience in the Danish Supreme Court, 75 years old, joined the Board of Directors on 06.12.2012, re-elected for two years in 2018. Retired from the Board of Directors on 01.01.2021.

Søren Lassen, state-authorised public accountant, 55 years old, joined the Board of Directors on 12.06.2008, re-elected for four years in 2016. Retired from the Board of Directors on 09.10.2020.

Mette Behrmann Lamp, MSc in Business Administration and Auditing, 41 years old, joined the Board of Directors on 20.06.2012, re-elected for four years in 2016. Retired from the Board of Directors on 09.10.2020.

2.3.5 None of the members of the Board of Directors of the Foundation are members of the board of directors of the Foundation's subsidiary as the subsidiary has entered into voluntary liquidation. Previously, the operating activities of the Foundation and its subsidiary coincided completely for which reason both board of directors were identical.

2.4.1 An appropriate proportion of the board of directors is independent of the foundation.

2.5.1 Members of the board of directors are appointed for a period of four years, with the possibility of being re-elected once.

2.5.2 An age limit for members of the board of directors is set at 70 years. An exemption has been granted in the implementation phase until 31.12.2020.

2.6.1 The board of directors establishes an evaluation procedure in which the board of directors, the chairman and the contributions and performance of individual members are evaluated annually and the result is discussed by the board of directors.

2.6.2 Once a year the board of directors evaluates the work and performance of the executive board in accordance with predefined clear criteria.

3.1 The members of the board of directors and the executive board are remunerated with a fixed remuneration. The remuneration reflects the work and responsibilities consequential to the position.

3.2 The annual financial statements provide information about the full remuneration received by each member of the board of directors and executive board from the commercial foundation and from other enterprises in the group. Furthermore, information is disclosed on any other remuneration which members of the board of directors have received for performing tasks for the foundation, subsidiaries of the foundation or enterprises in the same group as the foundation.

Statutory report on distribution policy

The Board of Directors has and will continue to focus significantly on supporting the professional and personal development of Deloitte employees. The prerequisite for retaining the most talented people at Deloitte, thus ensuring the continuation of Deloitte, is to create a framework in which individuals feel that their talent is constantly challenged, developed, and used both practically and theoretically.

In practice, the Foundation receives an application from Deloitte stating the costs incurred in support of expatriate employees, any PhD students, internal and external training courses, and similar costs incurred in the further development of Deloitte employees. The Foundation does not support courses teaching employees specific Deloitte tools or methods or training of Deloitte partners, and ensures that the application does not include costs of such nature. The Foundation does not support applications sent directly, as the projects to be supported must be prioritised from a business point of view. On this basis, the Board of Directors evaluates annually whether partial financial support can be made.

The Foundation has accomplished its secondary object to a certain degree through its distributions to Deloitte employees who have later switched to other companies. However, the Board of Directors does not consider having a granting capacity that currently enables other kinds of distributions.

The Deloitte Foundation has bought art and contributed to the purchase of art for Deloitte offices, promoting an inspiring environment for the same people who are the primary focus of the Foundation. The purchase of art will continue to be a focus area.

The Board of Directors will continuously evaluate whether the Foundation's finances allow distribution to charitable purposes.

Events after the balance sheet date

After the end of the financial year, it has been decided to liquidate the subsidiary Deloitte Huset Holding A/S, as the company no longer has any business activity. Apart from this liquidation, no events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2020/21

	Notes	2020/21 DKK'000	2019/20 DKK'000
Revenue		13,925	52,999
Other operating income		0	4
Other external expenses		(841)	(4,107)
Property costs		(24)	146
Gross profit/loss		13,060	49,042
Staff costs	2	(800)	(950)
Operating profit/loss		12,260	48,092
Income from investments in group enterprises	3	0	83,225
Other financial income	4	1,511	916
Other financial expenses	5	(775)	(92,470)
Profit/loss before fair value adjustments and tax		12,996	39,763
Fair value adjustments of investment property		1,931	27,588
Profit/loss before tax		14,927	67,351
Tax on profit/loss for the year	6	(4,762)	(76,503)
Profit/loss for the year	7	10,165	(9,152)

Consolidated balance sheet at 31.03.2021

Assets

	Notes	2020/21 DKK'000	2019/20 DKK'000
Investment property		195,200	198,200
Property, plant and equipment	8	195,200	198,200
Other investments		16	16
Other receivables		140,000	70,000
Financial assets	9	140,016	70,016
Fixed assets		335,216	268,216
Deferred tax	10	17,704	21,564
Other receivables		36,942	36,628
Tax receivable		1,230	638
Prepayments	11	77	150
Receivables		55,953	58,980
Cash		13,655	104,048
Current assets		69,608	163,028
Assets		404,824	431,244

Equity and liabilities

	Notes	2020/21 DKK'000	2019/20 DKK'000
Contributed capital		50,700	50,700
Provision for distributions		20,000	30,000
Retained earnings		239,462	249,297
Equity		310,162	329,997
Mortgage debt		86,655	92,207
Other payables	12	6,721	7,143
Non-current liabilities other than provisions	13	93,376	99,350
Trade payables		0	28
Tax payable		0	479
Other payables	14	1,286	1,390
Current liabilities other than provisions		1,286	1,897
Liabilities other than provisions		94,662	101,247
Equity and liabilities		404,824	431,244
Events after the balance sheet date	1		
Assets charged and collateral	16		
Transactions with related parties	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2020/21

	Contributed capital DKK'000	Provision for distributions DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	50,700	30,000	249,297	329,997
Ordinary distributions	0	(30,000)	0	(30,000)
Profit/loss for the year	0	20,000	(9,835)	10,165
Equity end of year	50,700	20,000	239,462	310,162

The Board of Directors has decided that distributions will be limited at DKK 20,000 thousand in 2021/22.

Consolidated cash flow statement for 2020/21

	Notes	2020/21 DKK'000	2019/20 DKK'000
Operating profit/loss		12,260	48,092
Working capital changes	15	(373)	(563)
Cash flow from ordinary operating activities		11,887	47,529
Financial income received		1,511	916
Financial expenses paid		(755)	(33,733)
Taxes refunded/(paid)		(1,542)	(8,845)
Cash flows from operating activities		11,101	5,867
Acquisition etc. of property, plant and equipment		0	(1,812)
Sale of property, plant and equipment		4,500	1,400,000
Acquisition of fixed asset investments		(70,000)	(70,000)
Cash flows from investing activities		(65,500)	1,328,188
Free cash flows generated from operations and investments before financing		(54,399)	1,334,055
Repayments of loans etc.		(5,974)	(1,237,592)
Distributions paid		(30,000)	(15,000)
Cash flows from financing activities		(35,974)	(1,252,592)
Increase/decrease in cash and cash equivalents		(90,373)	81,463
Cash and cash equivalents beginning of year		104,048	22,585
Cash and cash equivalents end of year		13,675	104,048
Cash and cash equivalents at year-end are composed of:			
Cash		13,655	104,048
Cash and cash equivalents end of year		13,655	104,048

Notes to consolidated financial statements

1 Events after the balance sheet date

After the end of the financial year, it has been decided to liquidate the subsidiary Deloitte Huset Holding A/S, as the company no longer has any business activity. Apart from this liquidation, no events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2020/21	2019/20
	DKK'000	DKK'000
Wages and salaries	800	950
	800	950
Number of employees at balance sheet date	1	1
Average number of full-time employees	1	1

	Remuneration of manage- ment 2020/21	Remuneration of manage- ment 2019/20
	DKK'000	DKK'000
Total amount for management categories	800	950
	800	950

3 Income from investments in group enterprises

Income from investments in group enterprises comprises a gain from the sale of Deloitte Huset A/S in 2019/20.

4 Other financial income

	2020/21	2019/20
	DKK'000	DKK'000
Other interest income	1,511	916
	1,511	916

5 Other financial expenses

	2020/21 DKK'000	2019/20 DKK'000
Other interest expenses	720	28,747
Fair value adjustments	52	58,737
Other financial expenses	3	4,986
	775	92,470

6 Tax on profit/loss for the year

	2020/21 DKK'000	2019/20 DKK'000
Current tax	856	3,403
Change in deferred tax	3,860	73,161
Adjustment concerning previous years	46	(61)
	4,762	76,503

7 Proposed distribution of profit/loss

	2020/21 DKK'000	2019/20 DKK'000
Provision for future distributions	20,000	25,000
Retained earnings	(9,835)	(34,152)
	10,165	(9,152)

8 Property, plant and equipment

	Investment property DKK'000
Cost beginning of year	197,814
Disposals	(9,936)
Cost end of year	187,878
Fair value adjustments beginning of year	386
Fair value adjustments for the year	1,931
Reversal regarding disposals	5,005
Fair value adjustments end of year	7,322
Carrying amount end of year	195,200

The Group's investment properties consist of four office buildings totalling 12,324 square metres, located on Funen and in Jutland. The investment properties are measured at fair value applying the yield-based model in accordance with the accounting policies.

A required rate of return in the range of 5.98-7.93 has been applied (weighted average 6.88%) (31.03.2020: 5.98%-8.67%, weighted average 6.70%).

Uncertainty is attached to calculating the required rates of return, given that the marketability of properties is

highly limited in the geographical areas where the Group's properties are located. However, increasing the required rate of return by an average of 0.5 percentage point will reduce the total fair value by approximately DKK 12 million.

In addition, the following significant assumptions have been applied in measuring fair value:

- Except for a small area of one of the properties, the Group's four properties have been leased out 100% according to lease agreements with lease terms between five and twelve years.
- The Group's properties are measured at an average value of DKK 15,839 per square metre (2019/20: DKK 14,757 per square metre) and the average rent of the leased-out properties amounts to DKK 1,129 per square metre (2019/20: DKK 1,048 per square metre).

An external valuer has participated in the valuation of the Group's properties.

9 Financial assets

	Other investments DKK'000	Other receivables DKK'000
Cost beginning of year	16	70,000
Additions	0	70,000
Cost end of year	16	140,000
Carrying amount end of year	16	140,000

10 Deferred tax

	2020/21 DKK'000	2019/20 DKK'000
Property, plant and equipment	(1,514)	(85)
Liabilities other than provisions	(31)	(31)
Tax losses carried forward	13,429	16,989
Other taxable temporary differences	5,820	4,691
Deferred tax	17,704	21,564

	2020/21 DKK'000	2019/20 DKK'000
Changes during the year		
Beginning of year	21,564	94,725
Recognised in the income statement	(3,860)	(73,161)
End of year	17,704	21,564

11 Prepayments

Prepayments amount to DKK 77 thousand (2019/20: DKK 150 thousand).

12 Other payables

	2020/21	2019/20
	DKK'000	DKK'000
Other costs payable	6,721	7,143
	6,721	7,143

Other costs payable comprise deposits.

13 Non-current liabilities other than provisions

	Due after more than 12 months 2020/21 DKK'000	Outstanding after 5 years 2020/21 DKK'000
Mortgage debt	86,655	83,504
Other payables	6,721	6,721
	93,376	90,225

14 Other payables

	2020/21	2019/20
	DKK'000	DKK'000
VAT and duties	710	652
Other costs payable	576	738
	1,286	1,390

15 Changes in working capital

	2020/21	2019/20
	DKK'000	DKK'000
Increase/decrease in receivables	(241)	30,229
Increase/decrease in trade payables etc.	(132)	(30,792)
	(373)	(563)

16 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties.

Bank debt is secured by way of a deposited mortgage deed registered to the mortgagor on property of DKK 5,928 thousand nominal.

The carrying amount of mortgaged properties amounts to DKK 195,200 thousand on 31.03.2021.

17 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

18 Subsidiaries

	Registered in	Corporate form	Ownership %
Deloitte Huset Holding A/S under frivillig likvidation	Copenhagen	A/S	100.00

Parent income statement for 2020/21

	Notes	2020/21 DKK'000	2019/20 DKK'000
Revenue		13,925	14,212
Other operating income		0	4
Other external expenses		(832)	(524)
Property costs		(24)	(44)
Gross profit/loss		13,069	13,648
Staff costs	2	(800)	(950)
Operating profit/loss		12,269	12,698
Income from investments in group enterprises		2,643	26,898
Other financial income	3	463	83
Other financial expenses	4	(3,183)	(34,421)
Profit/loss before fair value adjustments and tax		12,192	5,258
Fair value adjustments of investment property		1,931	(1,412)
Profit/loss before tax		14,123	3,846
Tax on profit/loss for the year	5	(3,958)	(12,998)
Profit/loss for the year	6	10,165	(9,152)

Parent balance sheet at 31.03.2021

Assets

	Notes	2020/21 DKK'000	2019/20 DKK'000
Investment property		195,200	198,200
Property, plant and equipment	7	195,200	198,200
Investments in group enterprises		147,644	357,449
Other investments		16	16
Financial assets	8	147,660	357,465
Fixed assets		342,860	555,665
Deferred tax	9	17,704	21,564
Other receivables		36,941	36,627
Prepayments	10	77	150
Receivables		54,722	58,341
Cash		13,185	6,536
Current assets		67,907	64,877
Assets		410,767	620,542

Equity and liabilities

	Notes	2020/21 DKK'000	2019/20 DKK'000
Contributed capital		50,700	50,700
Reserve for net revaluation according to equity method		47,646	45,003
Provision for distributions	11	20,000	30,000
Retained earnings		191,816	204,294
Equity		310,162	329,997
Mortgage debt		86,655	92,207
Other payables	12	6,721	7,143
Non-current liabilities other than provisions	13	93,376	99,350
Payables to group enterprises		5,852	190,055
Tax payable		98	0
Other payables	14	1,279	1,140
Current liabilities other than provisions		7,229	191,195
Liabilities other than provisions		100,605	290,545
Equity and liabilities		410,767	620,542
Events after the balance sheet date	1		
Assets charged and collateral	15		
Related parties of commercial foundations	16		
Transactions with related parties	17		

Parent statement of changes in equity for 2020/21

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Provision for distributions DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	50,700	45,003	30,000	204,294	329,997
Ordinary distributions	0	0	(30,000)	0	(30,000)
Profit/loss for the year	0	2,643	20,000	(12,478)	10,165
Equity end of year	50,700	47,646	20,000	191,816	310,162

The Board of Directors has decided that distributions will be limited at DKK 20,000 thousand in 2021/22.

Notes to parent financial statements

1 Events after the balance sheet date

After the end of the financial year, it has been decided to liquidate the subsidiary Deloitte Huset Holding A/S, as the company no longer has any business activity. Apart from this liquidation, no events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2020/21 DKK'000	2019/20 DKK'000
Wages and salaries	800	950
	800	950
Number of employees at balance sheet date	1	1
Average number of full-time employees	1	1

	Remuneration of Manage- ment 2020/21 DKK'000	Remuneration of Manage- ment 2019/20 DKK'000
Total amount for management categories	800	950
	800	950

3 Other financial income

	2020/21 DKK'000	2019/20 DKK'000
Other interest income	463	83
	463	83

4 Other financial expenses

	2020/21 DKK'000	2019/20 DKK'000
Financial expenses from group enterprises	2,745	1,195
Other interest expenses	383	10,407
Fair value adjustments	52	22,817
Other financial expenses	3	2
	3,183	34,421

5 Tax on profit/loss for the year

	2020/21 DKK'000	2019/20 DKK'000
Current tax	98	0
Change in deferred tax	3,860	12,998
	3,958	12,998

6 Proposed distribution of profit and loss

	2020/21 DKK'000	2019/20 DKK'000
Provision for future distributions	20,000	25,000
Retained earnings	(9,835)	(34,152)
	10,165	(9,152)

7 Property, plant and equipment

	Investment property DKK'000
Cost beginning of year	197,814
Disposals	(9,936)
Cost end of year	187,878
Fair value adjustments beginning of year	386
Fair value adjustments for the year	1,931
Reversal regarding disposals	5,005
Fair value adjustments end of year	7,322
Carrying amount end of year	195,200

The Foundation's investment properties consist of four office buildings totalling 12,324 square metres, located on Funen and in Jutland. The investment properties are measured at fair value applying the yield-based model in accordance with the accounting policies.

A required rate of return in the range of 5.98-7.93 has been applied (weighted average 6.88%) (31.03.2020: 5.98%-8.67%, weighted average 6.70%).

Uncertainty is attached to calculating the required rates of return, given that the marketability of properties is highly limited in the geographical areas where the Group's properties are located. However, increasing the required rate of return by an average of 0.5 percentage point will reduce the total fair value by approximately DKK 12 million.

In addition, the following significant assumptions have been applied in measuring fair value:

- Except for a small area of one of the properties, the Foundation's properties have been leased out 100% according to lease agreements with lease terms between five and twelve years.
- The Foundation's properties are measured at an average value of DKK 15,839 per square metre (2019/20: DKK 14,757 per square metre) and the average rent of the leased-out properties amounts to DKK 1,129 per square metre (2019/20: DKK 1,048 per square metre).

An external valuer has participated in the valuation of the Foundation's properties.

8 Financial assets

	Investments in group enterprises DKK'000	Other investments DKK'000
Cost beginning of year	100,000	16
Cost end of year	100,000	16
Revaluations beginning of year	257,449	0
Share of profit/loss for the year	2,643	0
Dividend	(212,448)	0
Revaluations end of year	47,644	0
Carrying amount end of year	147,644	16

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

9 Deferred tax

	2020/21 DKK'000	2019/20 DKK'000
Property, plant and equipment	(1,514)	(85)
Liabilities other than provisions	(31)	(31)
Tax losses carried forward	13,429	16,989
Other taxable temporary differences	5,820	4,691
Deferred tax	17,704	21,564

	2020/21 DKK'000	2019/20 DKK'000
Changes during the year		
Beginning of year	21,564	34,562
Recognised in the income statement	(3,860)	(12,998)
End of year	17,704	21,564

10 Prepayments

Prepayments amount to DKK 77 thousand (2019/20: DKK 150 thousand).

11 Provision for distributions

In the light of the Foundation's assets, operations, and liquidity, Management has made a provision of DKK 20 million for future distributions during the financial year 2021/22. Please refer to the distribution policy of the Foundation.

12 Other payables

	2020/21	2019/20
	DKK'000	DKK'000
Other costs payable	6,721	7,143
	6,721	7,143

Other costs payable comprise deposits.

13 Non-current liabilities other than provisions

	Due after more than 12 months	Outstanding after 5 years
	2020/21	2020/21
	DKK'000	DKK'000
Mortgage debt	86,655	83,504
Other payables	6,721	6,721
	93,376	90,225

14 Other payables

	2020/21	2019/20
	DKK'000	DKK'000
VAT and duties	710	652
Other costs payable	569	488
	1,279	1,140

15 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties.

The carrying amount of mortgaged properties amounts to DKK 195,200 thousand on 31.03.2021.

16 Related parties of commercial foundations

Deloitte Fonden has intra-group receivables from the subsidiary Deloitte Huset Holding A/S under frivillig likvidation. The following terms and conditions apply:

Call loan, outstanding debt DKK 16 million (2019/20: DKK 15 million), carries interest at 1% p.a.

Call loan, outstanding debt DKK 70 million (2019/20: DKK 70 million), carries interest at 1% p.a.

The total amount receivable of DKK 86 million has been set off against debt payable on demand to Deloitte Huset Holding A/S under frivillig likvidation.

Please refer to the management commentary regarding the Foundation's object of maintaining Deloitte Statsautoriseret Revisionspartnerselskab as an independent firm of accountants of high professional standard.

17 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

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

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and

subsequently at fair value. Derivative financial instruments are recognised in other receivables or other payables.

Derivative financial instruments are related to the Foundation's investment activities. Changes in fair value are continuously recognised as a separate item in the income statement.

Income statement

Revenue

Revenue comprises rents earned for the year.

Fair value adjustments of investment property

Fair value adjustments of investment property comprise adjustments for the financial year of the Foundation's investment properties measured at fair value at the balance sheet date, as well as gains and losses from the sale of investment properties.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Foundation's primary activities, including compensation and gains from the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses relating to the Foundation's ordinary activities, including administrative costs.

Property costs

Property costs include costs incurred to operate the Foundation's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessees.

Staff costs

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

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, net capital gains on securities, amortisation of financial assets, fair value adjustments of derivative financial instruments, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

portion attributable to entries directly in equity.

Balance sheet

Investment property

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus directly related acquisition costs.

Subsequent to initial recognition, investment properties are measured at fair value which is equivalent to the amount at which the individual property may be sold to an independent buyer at the balance sheet date.

Fair value is determined by applying the yield-based model as the calculated value in use of expected cash flows from each property.

The expected cash flows are based on the budgeted net earnings for the coming year, which are adjusted to expected normal earnings. In addition, adjustments are made for circumstances not reflected in normal earnings, e.g. major renovation projects, expected vacancy, etc.

Calculating the value in use is based on a required rate of return determined for each property on the basis of current market conditions of the property type concerned at the balance sheet date, the location of the properties, the credit quality of tenants, etc, thus assessing the required rate of return to reflect the current required rate of return of a market on similar properties.

The financial year's adjustments of the properties' fair value are recognised in the income statement.

Interest expenses on loans to finance investment properties in progress are recognised in cost if they relate to the construction process.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. So far, goodwill has not been recognised in connection with the acquisition of enterprises.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Other investments

Other investments comprise unlisted securities measured at the lower of cost and net realisable value.

Deferred tax

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

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

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Distributions

Distributions that have been adopted and distributed at the balance sheet date in accordance with the object of the Foundation are deducted from equity through the line item provision for distributions.

Those of the Foundation's expenses which are considered distributions are deducted from the provision for distributions in that an amount equivalent to distributions is recognised as income.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise the raising of loans, instalments on interest-bearing debt, payment of distributions, and payment of deposits.

Cash and cash equivalents comprise cash.