Together, we shape the future of tax

Enabled by our people and technology

KPMG Acor Tax P/S
Annual Report
1 January - 31 December 2020

KPMG Acor Tax P/S
Tuborg Havnevej 18, 5
2900 Hellerup
Denmark
CVR no. 34082200

The annual report was presented and adopted at the Company's annual general meeting.

Contents

Management's Review

Company details

KPMG Acor Tax P/S
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2900 Hellerup

Telephone: +45 3945 1700
Website: www.kpmgacor.dk
CVR no.: 34 08 22 00

Founded: December 12, 2011
Financial year: 1 January - 31 December
9th financial year

Board of Directors

Ria Falk Due (Chair)
Ole Steen Schmidt
Fredrik Lundgren

Executive Board

Claus Bohn Jespersen (Managing Partner)
Henrik Lund
Søren Dalby Madsen
Pia Konnerup

General Partner

KPMG Acor Tax Komplementar A/S

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Øster Allé 42
2100 København Ø

Financial highlights

DKK'000	2020	2019	2018	2017	2016
Profit and loss account					
Net turnover	326,625	269,543	202,136	163,817	116,688
Gross profit	196,641	162,317	135,612	131,399	104,133
Results from operating activities	1,117	1,095	2,085	1,994	2,044
Net financials	-1,117	-1,095	-985	-908	-1,006
Profit for the year	0	0	1,100	1,086	1,037
Balance sheet					
Balance sheet sum	231,585	189,664	157,992	116,836	89,573
Tangible assets investments	2,325	1,377	520	918	1,497
Equity	45,500	38,040	31,100	1,626	1,578
Cash flow					
Operating activities	9,951	2,694	651	16,277	-11,410
Investing activities	-5,221	-2,901	-691	-948	-1,659
Financing activities	2,611	2,429	-1,086	-1,037	-858
Cash flow in total	7,341	2,222	-1,126	14,291	-13,927
Employees					
Average number of full time employees	143	127	112	105	70
Key figures (%)					
Gross margin	60.2	60.2	67.1	80.2	89.2
Profit margin	0.3	0.4	1.0	1.2	1.8
Acid test ratio	119.3	121.0	120.8	96.6	97.6
Solvency ratio	19.6	20.1	19.7	1.4	1.8
Return on equity	-	-	6.7	67.8	69.7

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

About KPMG

KPMG Acor Tax

KPMG Acor Tax is a full-service tax consultancy firm. Our team of 176 dedicated and highly skilled partners and employees possess both market leading professional expertise and a deep understanding of our clients' specific, commercial needs. This combination enables us to convert complex rules into simple, operative solutions through a commercial understanding of tax matters and through the expertise, technology and global network required to provide tailored advice to each client.

176
Employees and partners

21.2%
Revenue growth rate

17
Different nationalities

51/49
Male/female ratio in %

Our global network

KPMG is a global network of professional services firms providing audit, advisory and tax services. We operate in 146 countries and have 220,000+ people working in member firms around the world. We work closely with a broad range of clients, such as business corporations, governments and public sector agencies and not-for-profit organisations. We support them in mitigating risks and exploiting business opportunities.

146
Countries where we operate

-1%
Revenue growth rate

29.3
Combined revenue USD billion

220,000
Number of employees

Together, we solve tax matters. Yours. Truly.

The year 2020 will truly be remembered as a pivotal moment. It was a year of economic and social turbulence, with the global Covid-19 pandemic changing the way we work and live. Furthermore, it brought tremendous challenges for businesses in Denmark as well as across the globe and accelerated transformation in many aspects of our lives.

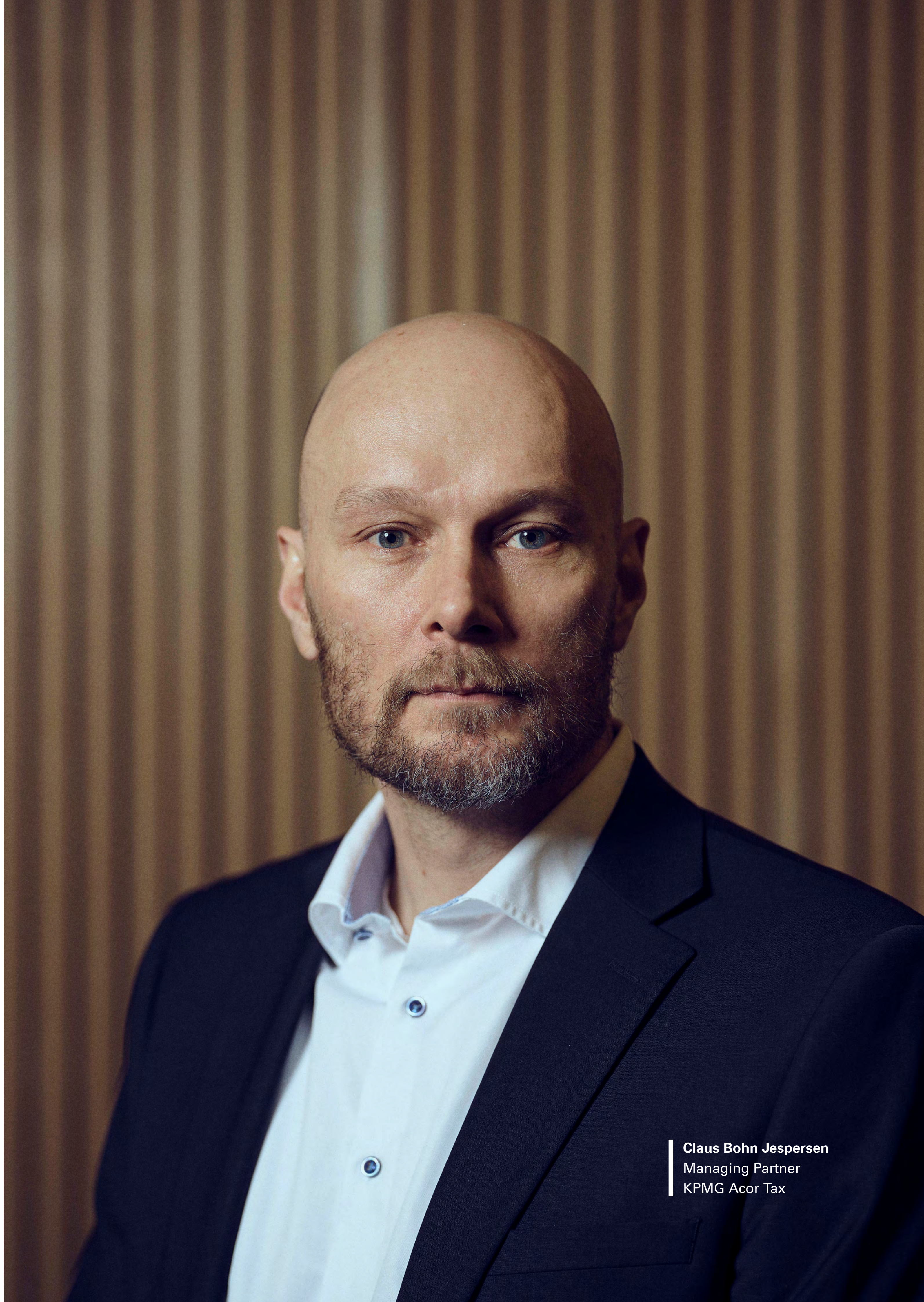
At KPMG Acor Tax, our organisational culture was the strong glue that helped us navigate safely those unchartered waters. Our challenger spirit, global mindset, passion for tax, integrity and unique team spirit were the glue that brought us together even when we were apart for the majority of the year. Our people have been courageous, compassionate and innovative. We have supported each other and kept our strong passion and commitment to support our clients with their biggest challenges when they needed us the most. We did this by mobilising our 360-degree approach, accelerating technology rollouts and optimising virtual collaboration and ways of working to be able to serve our clients on a continuous basis. Close collaboration across tax, audit and advisory teams in Denmark and cross border collaboration with colleagues from our global KPMG network enabled us to deliver the best of KPMG in every client interaction.

Moreover, we remained focused on our strategic priorities and executed on our growth strategy and ambition. We sustained a relentless focus on being proactive, adding value and delivering the highest level of professional standard in everything we do.

In 2020, KPMG Acor Tax delivered a resilient performance with revenue growth of 21,2%. The financial results are the sum of all the contributions, efforts and agile mindset delivered by our people, who worked shoulder to shoulder with our clients to help them conform to the new reality in an ever-evolving global tax landscape.

In addition to our financial results, we are very thankful and proud of the trust our clients have put in us during 2020 – both our existing clients, but also a large number of new clients. We continue to service more than half of the top-listed companies in Denmark as well as the majority of the largest Danish and foreign-based multinationals with operations in Denmark. Our advice focuses on tax consultancy relating to M&A (including tax due diligence and structuring transactions), restructuring, transfer pricing, tax controversy, mobility services, incentive programmes, VAT and duties, establishing business in Denmark and abroad – all of those supported, connected and driven by the latest technology solutions.

Each year, International Tax Review ranks leading tax firms and tax experts around the world. In 2020, KPMG Acor Tax were honoured to receive eight individual recognitions within the following areas of expertise: tax leaders – women in tax, transfer pricing, tax controversy and indirect taxes. Furthermore, we were ranked in Tier 1 in International Tax Review as a leading firm within both tax (World Tax) and transfer pricing (World Transfer Pricing).




Together, we shape the future of tax.

Fostering strategic client partnerships. Together.

From the very early stages of the pandemic, it was evident that the coronavirus would have a severe impact on societies, businesses and individuals across the world. 2020 was in many ways a year of unprecedented change. Looking back through the business lens, we are proud and thankful that despite everything, 2020 was another year where both our existing and new clients put their trust in us as their preferred tax advisor. We are particularly proud of how quickly we adapted to the new reality, both internally in our business and towards our clients. We demonstrated great agility and flexibility from the beginning of last year and helped our clients navigate the challenges and uncertainty caused by the Covid-19 pandemic.

Operating shoulder to shoulder

Global Compliance Management and Transformation is a strategic focus area in KPMG globally and a rapidly growing business in Denmark. Our Compliance Management and Transformation team has over the past years positioned itself as the leading compliance provider in Denmark by winning large outsourcing projects for Danish multinational companies.

As the tax function plays an increasingly integral role in the success of many organisations, a difficult question keeps many tax leaders up at night: How can my department improve and sustain performance, manage risk and deliver value?

Applying our extensive experience and wide range of competencies, we help our clients review and transform their tax operations by identifying opportunities, improving processes and integrating technology to enhance their tax operating model. Whether we perform compliance or transformation services, we commit to a partnership where mutual trust, team spirit and credibility are the values we bring to the table.

"KPMG is our trusted compliance partner and acts as an integrated part of our finance operating model. KPMG didn't come to us with a ready solution, but listened, understood and sought to solve our challenges. KPMG's strong local competencies and globally structured coordination, including continuous process improvement, is the reason we engaged in a long-term partnership."

Allan Haarup Petersen,
Vice President, Group Finance Reporting,
Tax & Insurance, Grundfos

Looking ahead, we aim to continue driving honest dialogues, creating value and inspiring our clients to pursuit new ways of ensuring compliance – finding solutions that fit their individual transformation and compliance journey. To us, one size does not fit all.

Battling uncertainty

We experience an ever-growing attention to indirect tax compliance; not only by the tax authorities, but especially by companies seeking to reduce risk and costs as well as optimise their savings and procedures. When the Covid-19 crisis first took hold, many of our clients were focused on liquidity due to a growing uncertainty and concern caused by the unknown economic consequences. Therefore, as indirect tax can be a significant burden for companies, we reached out to our clients to offer them a health check focusing on cash flow, optimising and reducing their cost base from an indirect tax perspective. This resulted in savings and greater transparency for our clients.

The Covid-19 pandemic placed a magnifying glass on the fact that many companies require support to comply with the rules and understand the complexity of indirect taxes. This because of the rapid development of the compliance landscape across Europe.

Going from traditional mobility to working from anywhere

During 2020, many employers in Denmark had to send their employees home, and many employees continued to work from home. This created new challenges and opportunities than we usually face within the field of global mobility. The willingness, flexibility and ability to work together from remote locations demonstrated both by employers and employees have started shaping the future of work. Our Global Mobility team has worked closely together with our clients to embrace this new journey.

Demand for talent, global digitalisation and employees' desire and need to work from anywhere require employers to rethink their future workspaces. Understanding the future of work, including its opportunities of working from anywhere and recruiting talents in locations that were not available before, underpins the need for a 360-degree perspective.

Employers must address and be aware of the implications of having employees working from anywhere. This includes matters such as corporate tax consequences and social security coverage for employees to adhere to employment law in the new locations where the future of work is carried out.

"In our perspective, Covid-19 has accelerated a shift in the view in talent management, where it has become crucial to be able to offer talents flexible work arrangements and be ready to handle the risk that follows. However, it is also a great opportunity for companies to widen their talent pool to a global level. In that sense, Covid-19 has been the first step in learning to navigate in a reality that will become even more outspoken in the years to come. A very exciting area of global mobility."

Fredrik Lundgren,
Partner, Mobility and People Services, KPMG Acor Tax

Resolving tax disputes

Our tax dispute resolution and controversy services are recognised as market-leading in Denmark both by our clients and according to the global tax publication International Tax Review. In 2020, we were very excited to receive the recognition as Tax Controversy Leaders for the sixth year in a row as the company which performs strongest in its field. A huge acknowledgment that we are proud of. Whether the Danish Tax Agency (Skattestyrelsen) or a foreign tax authority raises a claim against one of our clients, our tax dispute resolution and controversy leaders are able to assist our clients to protect against, prepare for and resolve disputes with tax authorities. We help our clients take control of the dispute resolution process to get effective results both locally and globally.

In 2019, we advised Microsoft who won the first principle Danish transfer pricing case at the Supreme Court. In 2020, we advised a number of other clients, including ECCO Shoes where our tax experts assisted with the proceedings over the past 10 years.

"For the past 10+ years, we have worked shoulder to shoulder with KPMG on one of the most prominent transfer pricing cases in Denmark. Handling the case has been a challenging journey full of learnings. In 2020, we could finally mark the closing of this case, and I am truly grateful for the commitment and sustainable tax advice provided by the KPMG Acor Tax Controversy team, which helped us successfully navigate this very long process – thank you!"

Majbritt Aarup Lausen,
Head of Tax, ECCO Shoes

The case demonstrates how KPMG Acor Tax – and our transfer pricing experts – deliver value to our clients as true challengers with the highest professional standards.

Navigating the complexities in the M&A landscape

The pace of today's Mergers and Acquisitions (M&A) activity demands decision-makers to make the right moves confidently to avoid missing opportunities. This requires clarity and an in-depth understanding of the deal – both of which can be difficult to achieve, as the deal-making environment becomes ever more complex.

Reflecting on 2020, we observe the investor market with great optimism, as not even the Covid-19 pandemic has seemed to shake it. However, the pandemic has intensified many institutional investors' focus on the ESG agenda. Our cross-functional M&A Tax team offers highly specialised market-leading advisory services within all aspects of mergers and acquisitions, and during 2020 they assisted a large number of clients with transactions of high complexity. In 2020, we increased our presence in the market and supported the majority of all Danish pension funds, which has strengthened our already strong position in the market. We cooperate closely with the global KPMG network of M&A tax experts, and we mobilise tax teams tailored specifically for our clients' distinct transactions on a daily basis.

"KPMG Acor Tax' holistic approach to our business, global mindset and their ability to come up with sustainable solutions, both short-term and in the long run, are the main reasons for choosing them as one of our trusted advisors on tax matters. KPMG Acor Tax always delivers tax advice of the highest professional standard. Moreover, it is always a pleasure working with their team who truly understands how to add proactivity and a personal touch to every interaction."

Joan Gejl Jessen,
Head of Group Tax, ROCKWOOL

Thinking tax and technology

The digital era is bringing many technological advances that are changing the way we work. During 2020, this change intensified due to Covid-19, and our use of and investment in technology accelerated. In KPMG Acor Tax, this meant walking the talk when saying we use technology in everything we do. Internally as well as externally.

We strive to integrate technology in and across all areas of our business and thereby support our 360-degree approach to clients with focus on holistic and sustainable solutions. Technology has already shown great potential in transforming the way we manage tax matters. Over the past year, we have increased our focus on technological education of our colleagues by offering them training so their skill set matches the constant advances in technology – enabling them to realise their tech potential.

The future is digital. Also in a VAT context

A milestone for us in 2020 was our ability to fuel the automatisation agenda, which has empowered us to support our clients with their VAT compliance more seamlessly, effectively and faster. In 2020, we launched our first digital tool KPMG AVA – our Advanced VAT Analysis tool. With this tool, we can now go through 100,000 invoices per hour with a 97% accuracy in predicting invoices that are booked wrongly or invoices that could be subject to special clauses or VAT treatments, among other things.

"Using KPMG AVA to perform VAT reconciliation has made it possible for us to identify a significant amount of reclaimable VAT, leading to considerable earnings and savings for our clients. All this much faster than what would have been possible through manual work. Being equipped with the right automatisation tool gives us the opportunity to give our clients the experience of an extremely effective and seamless process."

Martin With,
Partner, Indirect Tax, KPMG Acor Tax

In the years to come, we will pursue the digitalisation agenda and develop products that enable us to make our clients' daily work with VAT compliance less complex and leaner. Technology is an integrated part of our business and service offering, which means that we are constantly focused on bridging our solid VAT subject matter expertise with our technology skills to keep up with the constant developments in this area. Furthermore, one of our focus areas is to attract new talents with the right technical skill set and eagerness to use them in a VAT context. 2020 has been the year where we have made the first steps towards the development of a more technology-based VAT reconciliation. It will be exciting to see where this journey will lead us in the years to come.

TP documentation. Prepared just a bit smarter.

Transfer pricing documentation compliance requirements are ever increasing, which makes format, timing and processes in relation to preparation essential. 2020 was no exception, where, for instance, filing of TP documentation became mandatory in Denmark for the 2021 financial year and onwards. This in turn will force companies to handle their TP documentation more proactively than previously.

With TPAD – KPMG's own-developed transfer pricing tool – we use technology to rethink our clients' existing transfer pricing documentation process, allowing them to free up resources, while remaining compliant and efficient, undeterred by the rapid changes in the transfer pricing landscape.

Since TPAD was developed five years ago, our Transfer Pricing team has assisted numerous multinational companies across industries and today generates thousands of transfer pricing documentation sets. The TPAD tool handles complex matters in a simple manner, which for many of our clients has meant the transition towards automation and a more cost-efficient preparation of their transfer pricing documentation.

"One of the most valuable aspects of our partnership with KPMG Acor Tax is the mutual understanding and respect. They always look at the challenges through our lens, keep the solution to complex matters simple and engage proactively before, during and after the project. Therefore, we always find ourselves in good hands."

Morten Isak Jørgensen,
Tax Manager, NIRAS

TPAD is scalable, but not complex and solve our clients' challenges on their playing field, which foster engaged partnerships rather than just a provider of a solution. In that sense, TPAD grows together with our clients and our ambition looking forward is to develop a platform solution to ease cooperation and exchange of data. An aspiration for 2021 is therefore to accelerate the technology aspect – also in our transfer pricing area.

Being at the forefront of global talent management

Our Global Mobility & People Services team developed a new solution during 2020 supporting the new reality of working from anywhere. The tool allows automation in order to reduce time and provide a consistent, cost-conscious and risk-focused approach for companies. This solution builds on existing strong and well-proven Global Mobility Services (GMS) technology adding exciting new features for remote work force planning and optimisation in a post Covid-19. Furthermore, during the early stages of the Covid-19 outbreak, the KPMG Global Mobility & People Services team created an interactive Global Mobility Covid-19 tracker, which provides companies with a detailed overview of travel restrictions across the globe. The tracker is easy to access and enables companies to gather insights into any country's relevant restrictions, their compensation and benefits schemes, filing changes, tax-residency changes, immigration and more due to the Covid-19 pandemic.

The most important goal for 2021 within this area is to continue to be the preferred partner for our clients on complex tax matters in relation to employers who have employees working from anywhere.

Together. For better.

At KPMG Acor Tax, we are people of all kinds, and we believe that a team always beats the sum of individuals. Therefore, we are not only passionate about tax, but also about the well-being and personal development of each other. Together, we solve tax matters. We do that in a way that allows the individual to flourish, do what they do best and bring their personal touch to their work. Our passionate and highly skilled employees are the base of our success.

Going to work should be energising and interesting – that is important for us. We are ambitious and thrive in a fast-paced environment, but we also foster a team-oriented culture based on entrepreneurial spirit and great flexibility. To us, team spirit is not just another buzzword. It is deeply rooted in our DNA. Being part of KPMG Acor Tax means being part of a team who cherish each other, create and celebrate successes together and support each other every single day.

Working together. Separately.

When everything turned upside down in March 2020 at the early beginning of the pandemic, the core of our culture stood the test. It quickly became clear that our strong culture in KPMG Acor Tax made it easier for us to adapt to the new normal of working from home and socialising online, and thereby keeping the wheels of our work lives spinning. We took the temperature on our employee engagement through our annual People Survey 2020, and we are proud and happy to see the results. With an overall engagement rate of 90%, the survey indicates that our employees have a strong commitment to the organisation and feel passionate about their jobs. Moreover, 97% of our employees would recommend KPMG Acor Tax to their friends, and when asked to describe the most important factor for their motivation for going to work, one word stood out – the people. With the Covid-19 pandemic putting everyone under pressure and requiring enormous strength and adaptability, our people demonstrated their challenger spirit.

93%

believe KPMG Acor Tax is a great place to build their career

97%

believe the company fosters a respectful culture

91%

believe the company supports a work-life balance

*KPMG Acor Tax People Survey 2020

Using technology as a lever for development

In 2020, our use of technology truly accelerated, and we had to learn how to work remotely as both teams and individuals. Despite the implications caused by Covid-19, we have experienced growth in KPMG Acor Tax, which also means an increased demand for our technical expertise. Therefore, we have again this year invested heavily in developing our tax technology area to reinforce our leading position, which has resulted in the onboarding of in-house development resources and data analysts to support the business with new and innovative tax technology tools.

One of the biggest focus areas on the people agenda in 2020 was to find the most meaningful way to recruit and onboard new colleagues in a time where coming to the office was limited. Being able to carry out online interviews, onboard new colleagues from home in a meaningful way, and provide tailored online courses, despite the situation, therefore stand as an important milestone. This is a journey that we will continue in 2021, where we aim to fuel the use of technology in our talent management significantly.

Inclusion is a part of our mindset

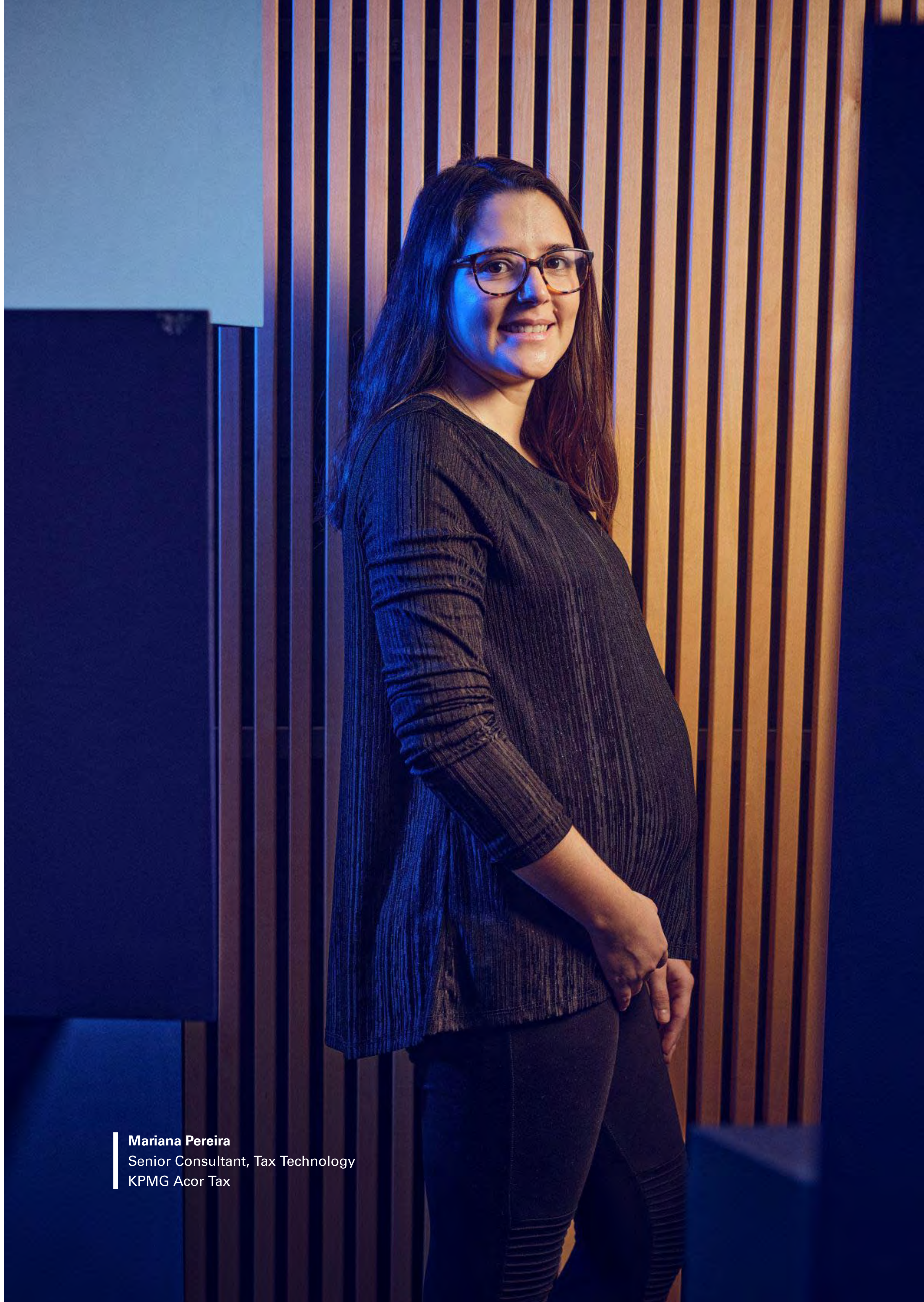
We believe that we were born with an inclusive mindset – and we are determined to keep it that way, as we believe it is our source of strength.

We are proud that our team consists of seventeen different nationalities, which underpin our strong ability to attract global talent. It is key in fostering a diverse work environment in relation to people with various skills, backgrounds, and stages of lives.

Our male to female ratio is 51% male and 49% female. We stay committed to sustaining and further developing a caring, inclusive, purpose-led and values-driven culture for our people, where everyone feels safe and valued.

"KPMG Acor Tax' unique culture, wide collaboration across all service lines and strong sense of togetherness makes it an enjoyable place to work. Something that was particularly proved during the Covid-19 lockdown, where I kept close contact to my colleagues and received lots of support and positivity from my team and the wider business, while working from home and connecting virtually. It meant a lot, especially while preparing for the role of motherhood and being far away from my family in Portugal."

Mariana Pereira,
Senior Consultant, Tax Technology, KPMG Acor Tax



Mariana Pereira
Senior Consultant, Tax Technology
KPMG Acor Tax

"We are focusing a lot on how the new normal should look like in KPMG Acor Tax. We know it is crucial that we evolve and nourish our culture based on the valuable learnings 2020 have given us. We have already provided home office equipment for many of our employees, but we still need to reflect on essential questions like: How do we support new ways of working? How can technology reinforce our journey to create a future workplace? How do we support our leaders as well as talents to navigate this new reality? There are no simple answers. But our aspiration for 2021 is to find the best possible ones."

Annika Olsen,
Head of People, Performance and Culture, KPMG Acor Tax

Supporting a meaningful balance

We aim to offer a career that meets the needs of our people in their different stages of life. Therefore, we launched our Baby Onboard programme in 2019 with the purpose of supporting parents in creating their version of a meaningful work-life balance. An initiative that really got its foothold in 2020.

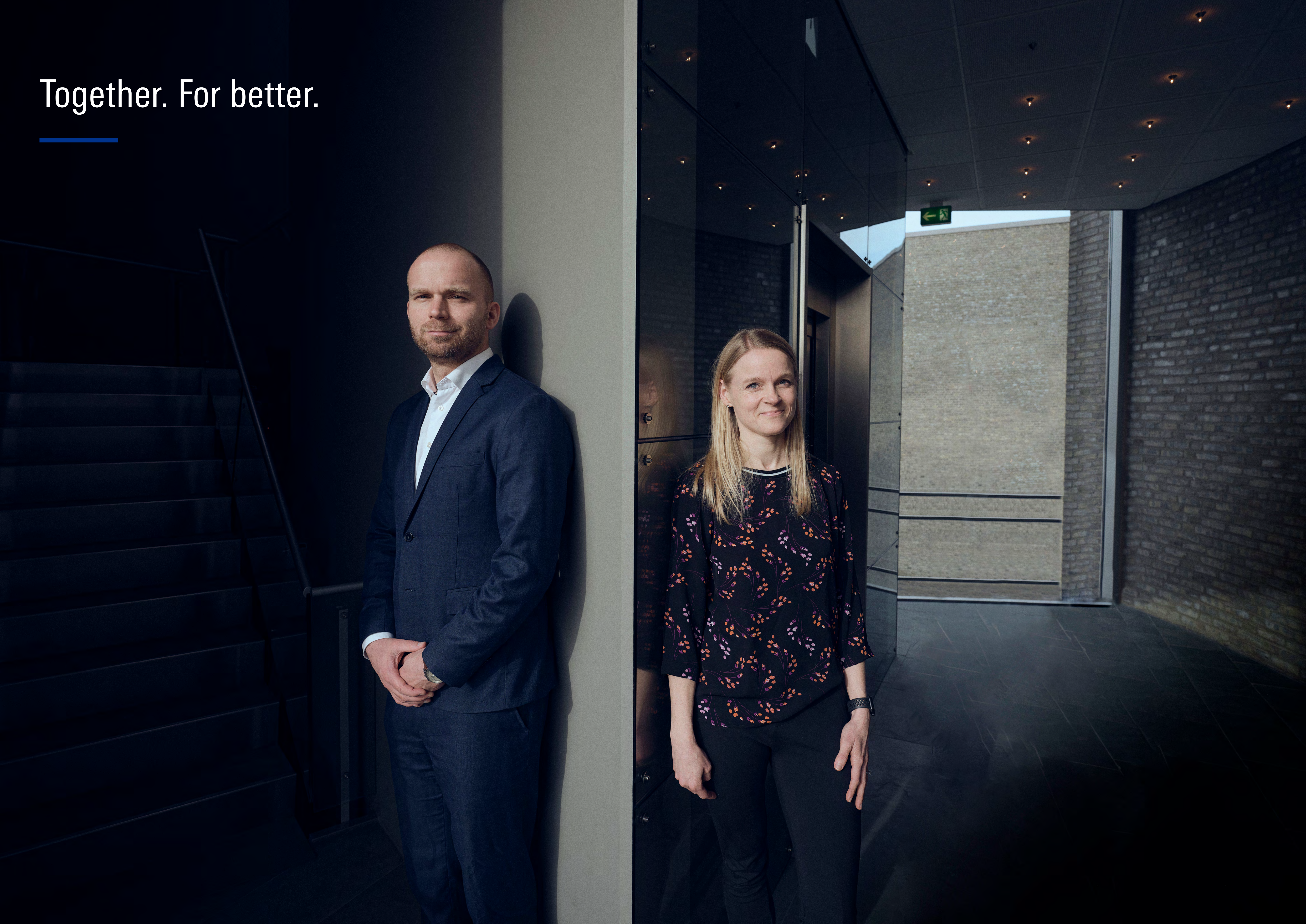
The Baby Onboard initiative consists of a Successful Parents network, where our people across levels meet 3-4 times a year in their role as a new parent. Facilitated by an external business coach, participants share ideas, experiences and tools with the purpose of empowering each other to navigate the challenges that typically arise when trying to reconcile a family life and career. The participants also provide input on how KPMG Acor Tax can support them as working parents going forward. In addition to the network, the Baby Onboard initiative offers our employees a number of individual coaching sessions, designed to provide the support they need to work through practical and emotional changes – personally and professionally.

Despite Covid-19, we have been able to host all network meetings either by keeping distance in line with government restrictions or through virtual meet-ups. Especially this year with everything closing down, the Baby Onboard initiative has proven its worth as a fixed point in a chaotic time.

"The Successful Parents network gives me the chance to share thoughts and get input from colleagues on how to solve small and large everyday matters relating to work and family. The atmosphere feels very safe and informal, and it gives me comfort that I am not alone with the struggle of trying to be successful both as a parent with small children and as a professional. I am so grateful that KPMG Acor Tax gives me the opportunity and offers me to be a member of a very professional lead network that focuses on looking after us."

Christina Brink,
Director, KPMG Acor Tax

Together. For better.



We fuel a sustainable future

Responsible Tax – going from intention to action

When the Covid-19 situation put an unexpected spin on the year for all, tax systems were on the front line in many jurisdictions as a tool for swift support in the short term and a lever for recovery in the long term. For governments, businesses and individuals, managing the situation effectively required both balance and agility. As the pandemic continued and certainty remained elusive, the need for multi-stakeholder discussions around emerging tax issues became increasingly apparent. This also intensified the attention to and debate about companies' approach to responsible tax, particularly large multinational companies.

In Denmark, the importance for companies to demonstrate that tax governance measures are in place and that taxes are managed at an appropriate level has increased. Furthermore, we see a steep change with a strong link to the Responsible Tax agenda. More and more Danish companies are publishing policy statements, tax strategies and actual taxes paid, and from the financial year 2021 all Danish listed companies have to act on the new Corporate Governance recommendations to publish a tax policy. Among others, Danish pension funds and institutional investors are driving this change forward, both in terms of signing up to an investor-specific tax code of conduct, but also by entering into active dialogue with the companies they invest in to increase transparency and improve their communication about tax affairs.

An open, honest and robust debate

In 2020, we collaborated with the CSR Forum, a network where our experts facilitated roundtable discussions and panel debates about responsible tax with multiple stakeholders across fields and companies. A conversation where our view on responsible tax have matured due to the dialogues and shared experiences. In that sense, we have built trust and created a common ground, enabling us to drive this agenda forward together – as the road to sustainable tax policies is not made by the tax functions alone. Internally within KPMG, we have continued our focus on KPMG's 'Principles for a Responsible Tax Practice' which bring to life KPMG's values and Global Code of Conduct in a way that is meaningful for the everyday situations we face as tax professionals.

The road ahead

During our discussions with stakeholders, it became apparent that 2020 was very much about going from intention to action on the responsible tax agenda. We have assisted companies, among other things, in embedding tax policies into their daily operations by introducing formal tax risk management frameworks and tax control frameworks. We have assisted in drafting new and updated market leading tax policies, and we are creating tax transparency reports comprising also the global tax contributions made by Danish multinationals.

Therefore, based on a strong and collaborative partnership with our clients, we have created a unique set of building blocks for a strong tax governance framework, for how to engage with external stakeholders and for how to manage the convergence of the ESG/CSR agenda and tax. In terms of engaging with external stakeholders, we expect an even stronger focus on the tax transparency agenda in 2021.

Enabling the automotive industry to walk the green talk

New regulations and trends pushing towards a more sustainable automotive industry and mobility, new players entering the industry, consumers calling for low-emission cars and businesses trying to turn challenges into opportunities. This was the reality for our Automotive team in 2020, and we predict this will continue during 2021.

The automotive industry is going through a transformation due to the green transition and electrification. Therefore, our task has been to advise and support our clients as they navigate in this transition and the continuous flow of new laws affecting their activities.

"KPMG's automotive experts hold an important and valuable voice in the discussion of the green transmission based on the broadness of their knowledge and experience. During the Commission's work with the report focusing on taxation of cars and infrastructure, KPMG's support and insights have provided valuable input for the final recommendations."

Anders Eldrup,
Chairman, the Commision of Green Transmission of passenger cars

Connecting every corner of the industry

Despite the implications and challenges faced by the automotive industry due to Covid-19, the level of activity has still been intense. This is a result of increased focus on the green transition by the EU, the Danish Government and the passing of various new laws, requiring the industry to act and invest despite their struggles. Consequently, it has created an enormous need for our clients to understand the challenges, consequences and opportunities generated and the resulting new regulations and focus areas. In 2020, we therefore experienced strong demand for our subject-matter expertise.

2020 called for our challenger spirit from the beginning. With the ambition to stay closely connected to our clients, keep the industry updated on the latest news and themes within taxation of cars, legislation and the green transition, we decided to explore new ways of sharing knowledge. To be honest, it was inevitable. In June 2020, we launched our podcast 'Vejen mod fremtiden', where our automotive experts, on a bi-weekly basis, discussed the challenges of the automotive industry together with key players from the industry. An initiative that quickly gained a solid foothold in the market. In addition, to comply with Covid-19 restrictions we transformed our annual automotive 'Year-end Conference' to a live-stream setup, which received a warm welcome from the audience who participated.

We are thankful for the trust and faith our clients put in us, and the strong position that we have in the automotive industry as knowledge providers and subject-matter experts. Our ambition is to further strengthen this position and take that role to the next level in 2021. Moreover, we are looking forward to an exciting year where the green transition will be the overall focus.

"For the established and the new players, we support them in understanding the core of the industry and their role in it. For companies like car manufacturers and importers, we help them play to their strengths and define their strategic priorities – so that legislation is complied with and their customers' needs are meet. We provide knowledge and bridge competencies and visions across the industry so that both new and established players can welcome a green future."

Rune Grøndahl
Partner, Head of Automotive DK, KPMG Acor Tax

CSR as a way to engage across home offices

Corporate social responsibility (CSR) is at the heart of KPMG's culture globally and locally, and we embrace our corporate citizenship through different initiatives. With the Covid-19 pandemic causing unexpected global challenges, the importance of companies as well as individuals fulfilling their societal obligations has never been more prevalent.

At KPMG Acor Tax, we support environmental and sustainable solutions as well as the empowerment of others. We believe that by bringing our values in play in the public sphere, we are able to motivate and empower individuals and groups to reach both their professional and educational goals. During 2020, we focused on the individual's CSR impact and contribution – what can each and every one of us do to make a mark on both the environment and for empowerment of others?

Therefore, we also used CSR as an opportunity to reinforce the feeling of joint purpose and unite at a time when standing together virtually was the mantra. We supported a number of initiatives, among these were one by Red Cross, which aimed to bring attention to an increased struggle with loneliness. Moreover, we introduced and implemented simple office routines to create awareness about our environmental footprint to show that many small actions can create a big impact. We focused on reducing plastic by replacing plastic cutlery and cups and implemented garbage sorting to reduce waste. Just to mention a few. One of our strategies was to nudge and encourage, enabling our employees to contribute to our CSR focus in a way that motivates them and suits their everyday life.

Looking into 2021, we will focus on continuing our CSR journey and how we can make a difference both as individuals and as a team.

Outlook

The future of tax needs to be reimagined. Today's unprecedented economic challenges have forced companies to rethink the way they do business. Rapid globalisation, new developments in tax laws, changes in accounting standards and increased demands from tax authorities are all increasing the burden on tax and finance departments. In addition, the global pandemic has taught us all the importance of remote working and building a team that can adapt to strenuous circumstances.

Digitalisation poses serious questions about what the tax function needs to achieve and how this will drive value for the business. Tax leaders face new challenges as they work to meet rapidly changing compliance obligations, elevate their strategic role, contribute to the ESG agenda and ensure they can articulate clearly the ways in which their departments can add value inside and outside of the organisation.

At KPMG Acor Tax, we continue the journey of shaping the future of tax consultancy – driven by our people and technology. The need for technology-enabled solutions that empower our clients continues to accelerate. We are committed to helping our clients, with business-led and technology-enabled solutions through the global crisis and beyond.

Looking at our focus for 2021, we are committed to deliver on our growth strategy in accordance with planned strategic initiatives, and we stay optimistic in relation to our future growth. Three overall areas that will have our highest priority in 2021 will be to: 1) Sustain and further develop partnerships with our clients through our 360-degree approach, 2) Take care of our unique culture and our people and 3) Embed technology in everything we do and make further investments in this area.

Together, we solve tax matters.

Yours. Truly.

KPMG Acor Tax Team

Ole Steen Schmidt
Partner and member of
the Board of Directors

Ria Falk Due
Partner and Chair of
the Board of Directors

Fredrik Lundgren
Partner and member of
the Board of Directors

Principal activities and financial position

Principal activities of the Company

The Company's principal activities are professional advisory services on VAT and tax matters.

Operational risk

The operational risks facing our business include those we share with other professional services firms. We have implemented quality assurance procedures that are based on KPMG International's Quality Framework and we regularly conduct risk assessments where we identify potential risks and their impact on our business. Based on this, we plan to remediate our actions and check the quality of the work done and whether it complies with the rules we as a consultancy are subject to. We are committed to consistently achieving the highest standard of quality, ethics and integrity in our day-to-day activities as a responsibility we bear to our customers, the authorities and the community.

Financial risk

We are exposed to credit risk although we do not have any material credit risk on individual debtors.

Events after the balance sheet date

No events have occurred after the balance sheet date that could significantly affect the financial statements.

Financial statements KPMG Acor Tax P/S

1 January 2020 - 31 December 2020

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of KPMG Acor Tax P/S for the financial year 1 January - 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Hellerup, 3 May 2021

Executive Board

Claus Bohn Jespersen
Managing Partner

Henrik Lund
Partner

Søren Dalby Madsen
Partner

Pia Konnerup
Partner

Board of Directors

Ria Falk Due
Chair

Ole Steen Schmidt
Partner

Fredrik Lundgren
Partner

Independent auditor's report

To the shareholders of KPMG Acor Tax P/S

Opinion

We have audited the financial statements of KPMG Acor Tax P/S for the financial year 1 January to 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement, notes and accounting policies used. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations and cash flows for the financial year 1 January to 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and beyond requirements that apply in Denmark. Our responsibilities under those standards and requirements are further described in the section 'Auditor's responsibilities for the audit of the financial statements'. We are independent of the Company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical obligations 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 financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, regardless of whether this is due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with international standards on auditing 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit conducted in accordance with international auditing standards and the additional requirements that apply in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- Conclude on the appropriateness of Management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review. Our opinion on the financial statements does not cover the Management's review, and we do not express any kind of assurance opinion on the Management's review.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and to consider whether the Management's review is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that the Management's review is in accordance with the financial statements and that it has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not discover any material misstatement in the Management's review.

Copenhagen, 3 May 2021

Martinsen
Statsautoriseret Revisionspartnerselskab
CVR no. 32 28 52 01

Leif Tomasson
State-Authorised Public Accountant
mne25346

Chris Bjørholm Dyhr
State-Authorised Public Accountant
mne34473

Income statement

1 January 2020 - 31 December 2020

Note	DKK '000	2020	2019
	Revenue	326,625	269,543
	Other external expenses	-129,984	-107,226
	Gross profit	**196,641**	**162,317**
2	Staff costs	-193,644	-159,715
	Depreciation, amortisation and impairment	-1,880	-1,507
	Operating profit	**1,117**	**1,095**
	Financial income	552	527
	Financial expenses	-1,669	-1,622
	Profit for the year	**0**	**0**

Balance sheet

31 December 2020

Assets

Note	DKK '000	2020	2019
	Fixed assets		
3	Acquired concessions, patents, licences, trademarks and similar rights	1,747	1,672
	Total intangible assets	*1,747*	*1,672*
4	Other plants, operating assets and fixtures	4,327	3,202
5	Leasehold improvements	58	69
	Total tangible assets	*4,385*	*3,271*
6	Deposits	3,374	1,220
	Total financial assets	*3,374*	*1,220*
	Total fixed assets	**9,506**	**6,163**
	Current assets		
	Trade receivables	116,409	89,572
7	Services in progress	29,403	31,761
	Other receivables	0	379
	Claims for payment of contributed capital	28,860	24,011
8	Accrued income and deferred expenses	6,123	3,836
	Debtors in total	*180,795*	*149,559*
	Cash at bank and in hand	41,284	33,942
	Total current assets	*222,079*	*183,501*
	Total assets	**231,585**	**189,664**

Balance sheet

31 December 2020

Equity and liabilities

Note	DKK '000	2020	2019
	Equity		
	Contributed capital	44,400	36,940
	Reserve for unpaid contributed capital	28,860	24,011
	Retained earnings	-27,760	-22,911
	Total equity	**45,500**	**38,040**
	Liabilities		
7	Services in progress	13,854	9,445
	Trade payables	15,430	7,675
	Debt to associated enterprises	0	1
	Other payables	156,801	134,504
	Total short-term liabilities	*186,085*	*151,624*
	Total liabilities	**186,085**	**151,624**
	Total equity and liabilities	**231,585**	**189,664**

9 **Mortgages and securities**

10 **Contingencies**

11 **Related parties**

Statement of changes in equity

DKK '000	Contributed capital	Reserve for unpaid contributed capital	Retained earnings	Total
Equity at 1 January 2019	30,000	19,500	-18,400	31,100
Capital increase	6,940	0	0	6,940
Unpaid contributed capital for the year	0	4,511	-4,511	0
Equity at 1 January 2020	36,940	24,011	-22,911	38,040
Capital increase	7,460	0	0	7,460
Unpaid contributed capital for the year	0	4,849	-4,849	0
Equity at 31 December 2020	**44,400**	**28,860**	**-27,760**	**45,500**

Cash flow statement

1 January 2020 - 31 December 2020

Note	DKK '000	2020	2019
12	Adjustments	2,996	2,601
13	Changes in working capital	8,073	387
	Cash flow from operating activities before net financials	11,069	2,988
	Interest received and similar amounts	551	4
	Interest paid and similar amounts	-1,669	-298
	Cash flow from operating activities	**9,951**	**2,694**
	Acquisition of intangible assets	-744	-1,537
	Acquisition of tangible assets	-2,325	-1,377
	Sale of tangible assets	2	0
	Acquisition of financial assets	-2,154	-23
	Sale of financial assets	0	36
	Cash flow from investing activities	**-5,221**	**-2,901**
	Cash capital increase	2,611	2,429
	Cash flow from financing activities	**2,611**	**2,429**
	Changes in cash flow	**7,341**	**2,222**
	Cash and cash equivalent at 1 January 2020	33,943	31,720
	Cash and cash equivalents at 31 December 2020	**41,284**	**33,942**

Notes to the financial statements

1. Accounting policies

The annual report of KPMG Acor Tax P/S has been prepared in accordance with the provisions of the Danish Financial Statements Act for medium-sized Class C companies.

Recognition and measurement in general
Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciation, amortisation, write-downs for impairment, provisions and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it seems probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it seems probable that future economic benefits will flow out of the Company and the value of the liability can be measured reliably. Assets and liabilities are measured at cost at initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisation of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability. Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Revenue
The Company will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue. Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year, and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other operating income
Other operating income comprises items of a secondary nature as regards the principal activities of the Company, including profit from the disposal of intangible and tangible assets.

Other external expenses
Other external expenses include costs of distribution, sales, advertising, administration, premises, losses on debtors and operational lease costs.

Staff costs
Staff costs include salaries and wages, including holiday allowances, pensions, as well as other costs for social security, etc. to the Company's employees. Staff costs are less government reimbursements.

Depreciation, amortisation and write-down
Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of tangible and intangible assets, respectively.

Financial income and expenses
Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leases, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on the profit of the year
As a limited liability partnership, the Company is transparent for tax purposes. Income taxes are liable to the partners of the Company. Consequently, no tax on the profit for the year has been provided for in the financial statements.

Balance sheet

Intangible assets
Development projects, patents and licences
Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year. Patents and licences are measured at cost less accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licences are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Tangible assets
Other tangible assets are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The depreciation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

If the depreciation period or the residual value is changed, the effect on depreciation will, in future, be recognised as a change in accounting estimates.The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual component differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of tangible assets are measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses. As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leasehold improvements
Leasehold improvements are measured at cost less accrued depreciation. Depreciation is done on a straight-line basis over the estimated useful life of the asset, which is set at 5 years.

Investments
Deposits
Deposits are measured at amortised cost and represent lease deposits etc.

Receivables
Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at net realisable value. The Company has chosen to use IAS 39 as the basis for interpretation when recognising impairment of financial assets, which means that impairments must be made where an objective indication of impairment of an account receivable or a portfolio of accounts receivable is deemed to exist. If an objective indication of impairment of an individual account is deemed to exist, impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the Company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Services in progress
Services in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual services in progress are recognised in the balance sheet under accounts receivable or accounts payable. Net assets consist of the sum of the services in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the services in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments and accrued income
Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits
Cash on hand and demand deposits comprise cash at bank and on hand.

Equity
Reserve for unpaid contributed capital
Unpaid contributed capital is recognised on a gross basis, according to which the unpaid contributed capital is recognised and treated as a receivable in the balance sheet under, Claims on contributed capital, an amount corresponding to the unpaid contributed capital is reclassified from, Retained earnings, to, Reserve for unpaid contributed capital.

Liabilities other than provisions
Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period. Also, capitalised residual lease liabilities associated with finance leases are recognised in financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises and other payables are measured at amortised cost which usually corresponds to the nominal value.

Cash flow statement

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investing activities and financing activities, changes in liabilities, and cash and cash equivalents at the beginning and the end of the year.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investing activities. In the cash flow statement, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flow from operating activities
Cash flows from operating activities are calculated as the Company's share of the profit adjusted for non-cash operating items, changes in working capital and income tax paid. Dividend income from equity investments are recognised under, Interest income and dividend received.

Cash flow from investing activities
Cash flows from investing activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, tangible assets and investments.

Cash flow from financing activities
Cash flows from financing activities include changes in the size or the composition of the Company's share capital and costs attached to it, as well as the raising of loans, repayments of interest-bearing and payment of dividend to shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits as well as short-term financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.

DKK '000	2020	2019

2. Staff costs

	2020	2019
Salaries and wages	192,701	158,848
Other social security costs	943	867
	193,644	**159,715**

The Board of Directors and the Executive Board do not receive separate remuneration for the performance of duties in the Leadership Team or Executive Board.

	2020	2019
Average number of employees, including partners	143	127

3. Acquired concessions, patents, licences, trademarks and similar rights

	2020	2019
Cost at 1 January 2020	2,972	1,435
Additions	744	1,537
Cost at 31 December 2020	**3,716**	**2,972**
Amortisation and impairment losses at 1 January 2020	1,299	906
Amortisation for the year	670	394
Amortisation and impairment losses at 31 December 2020	**1,969**	**1,300**
Carrying amount at 31 December 2020	**1,747**	**1,672**

4. Other fixtures and fittings, tools and equipment

	2020	2019
Cost at 1 January 2020	8,601	7,256
Additions	2,325	1,345
Cost at 31 December 2020	**10,926**	**8,601**
Amortisation and impairment losses at 1 January 2020	5,398	4,295
Amortisation for the year	1,201	1,104
Amortisation and impairment losses at 31 December 2020	**6,599**	**5,399**
Carrying amount at 31 December 2020	**4,327**	**3,202**

DKK '000	2020	2019

5. Leasehold improvements

	2020	2019
Cost at 1 January 2020	108	76
Additions	0	32
Cost at 31 December 2020	**108**	**108**
Depreciation and impairment losses at 1 January 2020	39	30
Depreciation for the year	11	9
Depreciation and impairment losses at 31 December 2020	**50**	**39**
Carrying amount at 31 December 2020	**58**	**69**

6. Deposits

	2020	2019
Cost at 1 January 2020	1,220	1,232
Additions	2,154	23
Disposals	0	-35
Cost at 31 December 2020	**3,374**	**1,220**
Carrying amount at 31 December 2020	**3,374**	**1,220**

7. Services in progress

	2020	2019
Selling price of work performed	29,403	31,761
Progress billings	-13,854	-9,445
Services in progress	**15,549**	**22,316**
Recognised as follows:		
Services in progress (assets)	29,403	31,761
Services in progress (liabilities)	-13,854	-9,445
	15,549	**22,316**

8. Accrued income and deferred expenses

	2020	2019
Prepaid expenses	6,123	3,836
	6,123	3,836

9. Mortgages and securities

The Company had no mortgages or securities at 31 December 2020.

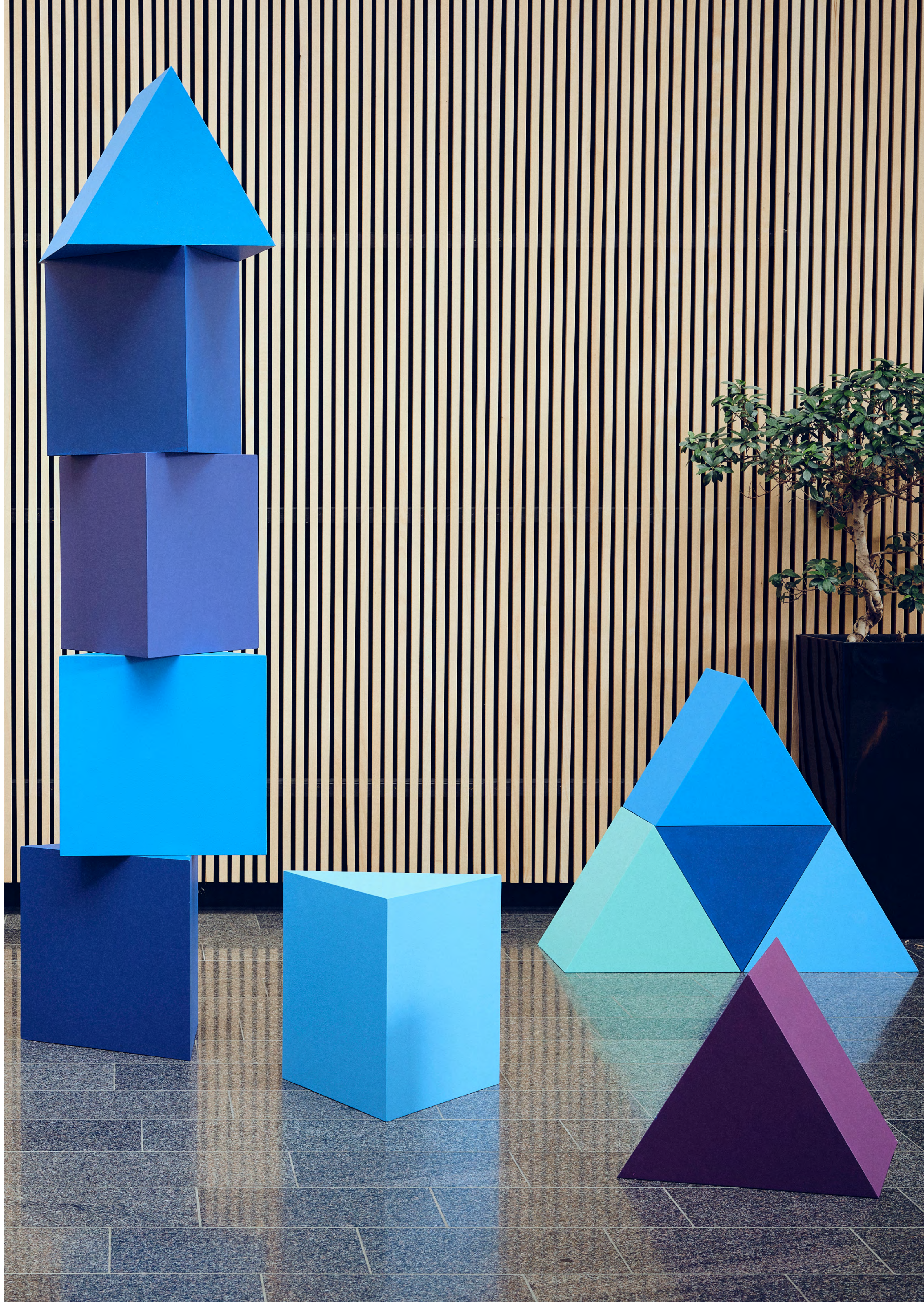
10. Contingencies

Contingent liabilities
Remaining rental obligation at the balance sheet date amounts to DKK 19,588 thousand due within one year.

11. Related parties

Transactions
During the financial year, the Company's transactions with related parties have included balances with and remuneration for partner shareholders. Balances and remuneration are subject to market interest rates.

DKK '000	2020	2019
12. Adjustments		
Depreciation and amortisation	1,879	1,507
Other financial income	-552	-527
Other financial costs	1,669	1,622
Other adjustments	0	-2
	2,996	**2,601**
13. Change in working capital		
Change in receivables	-26,765	-22,642
Change in trade and other liabilities	34,838	23,029
	8,073	**387**



KPMG ACOR TAX

Together, we shape the future of tax

Enabled by our people and technology