Annual report and consolidated accounts

1 October 2019 – 30 September 2020

Bohlinsgruppen AB

kpmg.se

We have shown proof of courage and the ability to change

“I am proud of the commitment and loyalty shown by all our employees.”

Patrik Anderbro
CEO

The past financial year can be divided into two different phases: pre-Covid 19 and post-Covid 19. As the Coronavirus affected an entire world, including Sweden and KPMG, the company was faced with completely new issues and challenges that swiftly and radically changed the way we work and meet. It also changed the agenda.

From having a clear growth agenda and a full focus on investments aimed at achieving a significant increase in business volume, we moved to a situation where large parts of the business community shut down and it was uncertain to what extent KPMG would be affected. Management found itself on a completely new playing field, in which the priority was to focus on the measures needed to safeguard existing operations with as little impact as possible in a situation where the future was unpredictable.

In business operations, advisory activity showed a marked decline, with our clients in the private equity and manufacturing industries being particularly affected. Postponed corporate transactions, lockdowns and a consultancy freeze by clients also put our assignments and business opportunities on hold. This was partially offset by the financial and public sectors, which were relatively unaffected. Our business with small and medium-sized clients was not significantly affected either. Audit and tax showed stable and growing business during the year. In advisory, business is increasing steadily in digital transformation and IT security, and in legal advisory services, certification services and compliance. We are investing strongly in developing innovative and digital solutions so that we and our clients can create tomorrow’s solutions that will uphold Sweden’s tradition and competitiveness as an industrial nation.

New forums for collaboration

During spring, however, the company's ability to meet unexpected challenges was put to the test when we were forced to cancel scheduled physical meetings and training sessions, stop travelling and quickly switch to remote working and digital meetings. Both internally and with our clients. We made difficult decisions such as terminating temporary consultants and employees on probation. Other measures included voluntary reduction of hours and salary by senior consultants in advisory during May-June, and encouraging all employees to take longer holidays than the statutory ones in return for compensation.

I am proud of the commitment and loyalty that all our employees have shown in maintaining operations and client relationships in this tough situation. We were quick to establish new forums for collaboration. One important forum was digital morning meetings, where all partners and managers spent half an hour every morning discussing the situation and focus of their clients, while others included daily check-in meetings with employees working at home to keep the commitment up. We quickly had relevant services in place and were also able to offer our clients and stakeholders digital seminars on Covid 19-related issues. Over ten weeks, we conducted the same number of webinars, with the number of participants far exceeding 100 in several of them.

We were well equipped to quickly introduce new technical solutions, enabling us to hold larger virtual meetings. Today, we have digital meetings and workshops as a natural part of our assignments, and more or less all internal meetings take place via Teams. At the beginning of March, Teams was, for most of us, an unknown tool that was scheduled to be fully implemented in 2021. Our digital maturity has increased dramatically in a short time, while also significantly increasing the efficiency of all our work.

KPMG Sweden grows with acquisitions in Latvia and Lithuania

In addition to the challenges of Covid 19, we have expanded the company with KPMG's operations in Latvia and Lithuania. The acquisitions are part of KPMG's global development, with closer collaboration and partnerships to increase competitiveness in a market where scalability is becoming increasingly important. Together, we will be a stronger organisation, able to benefit from resource matching, an even better digital offering and efficient client delivery performance. Internally, the business combinations mean that we gain a large number of new colleagues and networks where we can benefit from mutual exchange of knowledge.

Organisational change management

During the year, we also carried out far-reaching organisational change management. The goal is to create a structure where the business areas and business support work together through efficient systems and clear roles that improve our client delivery performance. Going forward, we will operate in three business areas: Audit, Tax & Legal and Advisory. During the year, we recruited new managers for the support functions People & Culture and Finance. The change is reflected in the fact that from 1 October we have partly new company management and, with this refreshed team, we are writing history. This is the first time ever that KPMG's management has consisted of more women than men. This is a significant step in our gender equality work, but above all it means that we have an executive management where all parts of the company, both in the commercial business and business support sides, are represented.

We have yet to see the end of the pandemic but, in summing up the financial year, we can say that so far we have navigated through it with good results.

Patrik Anderbro
CEO

Innovative inner drive – digital in everything we do

"We do not digitalise just for the sake of it – we and our clients benefit from it."

In recent years, KPMG has invested in its expertise and entered into alliances with the aim of being at the forefront and able to offer the market's best audit and advisory services in a digital context.

The work is bearing fruit, as can be seen from the fact that KPMG has been named Leaders among Insights Service Providers by The Forrester Wave™ for the second year running. The accolade is proof of our success in combining our core business with digital technology and generating greater added value for our clients.

During the year, we accelerated our digital strategy to be an innovative, leading player in Data Analytics, Intelligent Automation and Artificial Intelligence. Our work is cloud-based and we prioritise mobile solutions. Throughout KPMG's service offering, we focus on using the latest findings and developments in IT in order to meet specific client needs. The combination of intelligent automation, advanced analyses of reliable Interim Financial Reporting and data, and our industry knowledge provides insights that can bring our clients increased growth, higher efficiency, more reliable risk controls and regulatory compliance. This means higher quality and better experiences for our clients' customers.

Lighthouse Centre of Excellence for computer-driven technology

During the year, as one of 42 KPMG countries, we continued to consolidate and build Lighthouse, a centre of excellence that realises client and business values from data, AI and modern technology for all business areas within KPMG. The centre of excellence is for digital and data-driven solutions, and has employees with expertise in everything from cloud-based architecture, advanced data analysis and machine learning to

Pictures from the official opening of the Nordic Client and Insights Centre

artificial intelligence. During the year, Lighthouse has grown from 13 employees to 31, and their competence and engagement have in many respects played a crucial role in the digital transfer we have been making.

In the autumn, we also held our Digital Days – two skills development days, during which the entire staff gained greater insight into our digital strategy, our work on digital development and innovation, and what systems and services we have that increase client delivery value.

A total of 270 people came to the official opening, 200 of whom were clients from the Nordic countries. The event was reported in social media and the press, setting a new record in the number of clicks and surfing on both LinkedIn and kpmg.se.

Nordic Client and Insights Centre

In February, we opened our Nordic Client and Insights Centre in Gothenburg – KPMG's 19th such centre worldwide. The high-tech centre is a meeting place where we can support our clients in dealing with their most strategic and critical future challenges. Based on access to data from 60,000 external sources, we can perform advanced analyses and simulate how clients can counteract pandemics, deal with trade barriers, manage risks, obtain better decision-support material and test business models.

We continuously use the Insights Centre for larger and more advanced presentations of offerings in all business areas. The Insights Centre is designed so that we can work easily and innovatively with our alliance partners. By way of example, during the year we and our partner Ericsson developed a concept for using 5G in factories which we now sell together. The feedback from clients who have visited the Insights Centre has been very positive.

Web tool for automated audits

We have also advanced our digital position in the owner-managed companies segment by introducing NASAA (Nordic Automated Standardised Audit Approach) Webb One during the year. With this, KPMG is the first of the Big 4 to develop a web tool for automated audits. NASAA is the result of many years of forward-looking development work, initiated in Sweden, realised in a Nordic collaboration and developed with the support of Lighthouse. A truly successful collaborative project.

KPMG tops the Big 4 in the Swedish Quality Index customer satisfaction survey of the auditing industry.

For the fifth consecutive year, KPMG Sweden was named National Tax Firm of the Year by the International Tax Review at the European Tax Awards in late May.

Tina Zetterlund was named EMEA Tax Practice Leader of the Year.

Strong demand despite the impact of the pandemic

The pandemic has affected our priority sectors and clients differently. After the first six months in which we experienced a surge in growth for our largest clients, and in parallel developed our advisory services to small and medium-sized companies, including good acceleration in growth for Interim-Service (now Onsite Solutions), we entered a new situation in March.

The market in general stepped on the brakes as large parts of the world closed. For the advisory business area, activity in private equity and industrial manufacturing showed a marked decline, while financial services and the public sector were not affected in the same way. Audit and tax were less affected in terms of demand, but had to adapt meeting methods and delivery arrangements.

Through our own pool of resources and support from KPMG's international network, we were able to quickly offer relevant services and advice. Clients felt that we were there as a reliable partner even in this turbulent situation. A central cog was our newest service area Tax & Legal, which quickly familiarised itself with the various government support packages and held several of webinars during spring. During summer and early autumn, the market situation recovered surprisingly well, which was reflected in the assignments we gained.

Overall, demand for our services has remained strong, particularly advisory services in the financial sector and public sectors. We have also experienced strong demand within Onsite Solutions, where our consultants fill a vacancy for a period or provide temporary resources for a specific project on site at the client's premises.

Audit

The audit business has been stable, with the volume growing during the year. Our clients have been affected by the pandemic to varying degrees and have had different needs for special input from us. Despite high pressure and widespread working from home, we have delivered our services with high quality and on time, due to the fact that we had a digital platform in place well before the pandemic. We have made progress both

KPMG ranks Tier 1 in all three categories – World Tax, World Transfer Pricing and Tax Controversy – of Tax World 2021.

For the second year running, Source Global Research has named KPMG as the highest ranking consulting company in the Nordic region for overall value in advisory services.

in the development of new services and we have made further enhancements in our digital tools. Among other things, we have developed and introduced a client portal, My KPMG, where we interact with smaller audit clients, as well as offering them packaged services. Testament to our clients' appreciation of us is the fact that KPMG tops the Big 4 in the Swedish Quality Index customer satisfaction survey of the auditing industry (SKI 2020).

Tax & Legal

For Tax & Legal, 2019/20 has been a successful year, the second-best ever despite the turbulent spring. We have continued to develop our service offering with new digital tools, including Korus (an automatic solution for calculating interest deductions) and Nirus (another automatic solution that creates tax return form N9, interest deductions). Our tax consultants attract great confidence in the market and are recognised as talented. For the fifth consecutive year, KPMG Sweden has been named National Tax Firm of the Year by the International Tax Review at the European Tax Awards in late May. At the same time, our Head of Tax & Legal, Tina Zetterlund, was named EMEA (Europe Middle East Africa) Tax Practice Leader of the Year. At the end of September, this was topped off by KPMG being ranked Tier 1 in all three categories – World Tax, World Transfer Pricing and Tax Controversy – of Tax World 2021– while at the same time we have seven of our tax specialists represented in the list of the 25 highest ranked in Sweden.

Advisory

Advisory is the business area that has been most affected by the pandemic. The strong growth we showed before the outbreak slowed down and the market has been impacted by great uncertainty. Large parts of the business weathered the crisis unnoticed, while others experienced major effects. In particular, advice on transactions and large transformation projects was negatively affected, with some assignments being postponed in spring and others having their scope reduced. In the last four-month period of the year, the transaction market has fully recovered, although transformation projects are still at a lower level than before. In September, Advisory had a higher order rate than in the previous year for the first time since the pandemic began, which indicates a turnaround. It is also pleasing that, for the second year running, Source Global Research has named KPMG as the highest ranking consulting company in the Nordic region for overall value in advisory services.

Our attractiveness has never been higher

KPMG's most important asset is our human capital: the competence and constant striving for development and improvement that our employees have and can bring. It is essential that are able to attract experienced specialists and driven talent to offer our clients unique expertise. This quality underpins our ability to make a real difference and is part of what defines KPMG as an organisation.

We end the year with clear evidence that our attractiveness has increased. We received the news in September that, after being omitted last year, KPMG came in at no. 27 in the Academic Works Top 100 list: Young Professional Academic Index (YPAI). We are also the only Big 4 firm to be ranked among the Index's business students in the top ten. This is a really strong performance and the result of a solid concept and systematic efforts during the year to produce an attractive Employer Value Proposition (EVP) led by the Employer Branding team within People & Culture. We also see through frequent spontaneous applications from experienced specialists that KPMG has a good reputation as an attractive workplace in that respect too.

A values-driven organisation

KPMG is a values-driven organisation – we were the first in the industry to globally develop and agree on what we believe is important when we meet each other and the world around us. That is now 15 years ago and our values were revised during the year and relaunched in an updated form. The values

form the basis for our culture, which is important, and is becoming increasingly important, in making KPMG an attractive workplace where people feel safe and comfortable. Values are also the foundation for enabling us to achieve our vision of being the obvious choice for employees and clients, and earning the trust of society.

In Sweden, we recruited 307 new employees in the financial year (400 in the previous 12 months). On 30 September, the number of full-time employees in the company was 1,771 (1,528). The average number of employees was 1,585 (1,400).

At KPMG, people must be contented, confident and able to realise their goals

Our employee policy, which is subject to review by the Board every year, sets out our commitment as an employer. KPMG must be a workplace where individual goals and visions can be realised within the framework of the company's overall goals and values. Our culture must be charcterised by a balance between responsibility, self-driven employee engagement and trust-inspiring leadership.

KPMG's values are:

Integrity
We do what is **right**.

Excellence
We never stop **learning** and **improving**.

Courage
We **think** and act **boldly**.

Together
We **respect** each other and **draw strength** from our differences.

For better
We do what **matters**.

Our compensation models must stimulate good performance and continuous development. KPMG's employees are covered by collective agreements (collective agreements for auditing and consulting companies, between the parties Almega, Unionen and Akademikerförbunden). Provisions for pensions are made in accordance with the ITP plan. We offer a creative, stimulating and challenging work environment, underpinned by systematic environmental initiatives.

Every year, KPMG conducts an employee survey, the Global People Survey, where our employees evaluate leadership, working conditions and development opportunities. In this year's survey, we had better results in virtually all categories compared with the previous year. It is pleasing that 91 percent feel that we behave in a respectful way towards each other and the outside world, 88 percent feel that they can be themselves at work without the risk of not being accepted and 87 percent say that they are proud to work at KPMG.

Every year, we also survey the working conditions regarding salaries and employment, training and skills development, grounds for discrimination and gender equality in an equal treatment plan, and we follow up the outcomes, setting new goals. Before summer, we surveyed employees' well-being and engagement after the revolutionary changes in spring in terms of requirements for isolation and working from home. The survey indicated that the majority of those who responded felt well.

We are constantly seeking development and improvement

In order for our employees to be challenged and developed, we work systematically on performance management and leadership. At the end of 2018/19, KPMG launched a new process and support for performance management, Open Performance Development, which we introduced in 2019/20. At the same time, we launched a new approach, Everyone a Leader, in which we more clearly highlighed the importance of leadership and self-leadership. Open PD is based on more frequent dialogue between the Performance Manager (PM) and employees. An important part of the introduction has been to train PMs so that they have the right conditions to act as the required support for our employees. During the year, all employees were trained in Open PD and began to use the tool to support their individual development.

KPMG’s employees are developed primarily through their practical work in assignments and through ongoing guidance and feedback from senior colleagues. In addition, KPMG offers structured learning in the form of instructor-led training, blended learning and e-learning. The rapid pace of change in the market and among our clients, and increasing demands from authorities and stakeholders for access to reliable financial and strategic information for their decision-making, requires us to be a constantly learning organisation and to continuously provide further training for our employees.

Through our global training platform, KPMG Business School, we offer employees our own internal training and a wide range of training programmes produced by global partners. With their PM and manager, all employees compile a training plan, in which some training is mandatory and other training is elective based on individual development goals. The employee can then largely control the scheduling of the training.

As an effect of the pandemic, significant transformation work within Learning & Development was carried out prior to the autumn training programmes. For just over a month, a total of 16 training programmes were redesigned from instructor-led classroom training to online courses. This autumn, we have been able to conduct all our auditing courses, from the Audit Foundation's three modules to more advanced programmes, virtually and Corona-safely. This autumn's onboarding day for new employees was also redesigned and carried out digitally with 170 participants.

During the year, KPMG's member companies in the Nordic region began to co-ordinate their efforts, jointly producing training programmes and implementing them. As a first step, we are producing joint programmes that prepare for promotion to Manager and Senior Manager, and Partner Assessment. For the first time, we have also brought our new employees together in a Nordic training challenge, the Globe Runner Cup. Globe Runner is a globally developed online game, where KPMG's employees learn more about the company's operations and services through various challenges.

Diversity enriches and adds greater value

At KPMG, we live by the axiom that companies where gender equality, inclusion and diversity permeate both leadership and the business are better equipped to meet the multifaceted world we operate in. In comparison with homogeneous working groups, diversity enriches client assignments and development projects. For us, equality and diversity have a strong business purpose. Through leadership programmes and as part of internal training, we gradually increase knowledge about inclusion and the benefits of diversity in the organisation. To establish a culture that is characterised by gender equality, we developed and introduced compulsory e-learning on this topic which all employees completed during the year. In future, the training will be part of our onboarding programme for new employees.

How well our working conditions help to employees from a diversity perspective is checked on an ongoing basis in assignment reviews and in dialogue with PMs.

We work actively to make the partner base more equal through a higher proportion of women. At present, this proportion is 21 percent. In addition, we work purposefully to increase the proportion of women in senior positions in order to achieve an even gender distribution between women and men. These efforts have borne fruit, as the proportion of women in managerial positions is currently 51 (43) percent.

An ethical compass and independence are our hallmarks

In a business where credibility and trust are prerequisites for conducting it, we attach great importance to our values, quality systems and processes for risk management, ensuring that we measure up to the expectations and requirements of the world around us.

KPMG's five global values are the foundation for what we believe in and how we behave towards each other and the world around us. The values are developed in the KPMG Global Code of Conduct, which applies to all KPMG member companies across the world. It is available to read and download at kpmg.se.

System for quality assurance and risk management

In order to be able to deliver high-quality services to both domestic and international clients, KPMG's system for quality control and risk management is of key importance. Each employee has their own responsibility, with systems and functions available to support the work. The CEO has overall responsibility for the quality level of the business. The system for quality control and risk management is monitored by the Quality & Risk function.

Common policies and rules regarding quality, risk management, ethics and independence are established by KPMG internationally and supplemented by KPMG in Sweden. The former also include standards for regular quality assurance and control of company-wide processes. Locally established governing documents consist of policies and guidelines that are linked to internationally established norms and rules. Extensive checks are also made in accordance with the Money Laundering Act.

KPMG's Quality policy and Security policy are examples of governing documents that are approved annually by the Board. The latter adheres to the ISO/IEC 27000 standard. The international quality standard for companies performing statutory audits and similar tasks is The International Standard on Quality Control 1 (ISQC 1), issued by The International Federation of Accountants (IFAC). Although many of its provisions are intended to be applied for audit work in a strict sense, KPMG applies these principles in all areas of activity.

ISQC 1, which has been applied for many years, is currently being phased out and replaced by a new, further developed quality standard, International Standard on Quality Management 1 (ISQM 1). During the year, KPMG began to implement ISQM 1.

Our profession is based on integrity and objectivity

The quality control system helps KPMG's employees to act with integrity and objectivity, comply with applicable laws and regulations and meet professional requirements. The system comprises the following main parts:

- management responsibility
- ethical standards
- human resource management
- procedures for accepting clients and working with assignments
- processes for carrying out assignments efficiently
- monitoring and follow-up.

KPMG's quality work is under constant evaluation and development in order to ensure high quality and add value to client engagements. KPMG annually invests significant amounts related to this.

The Ethics & Independence function has overall responsibility for professional ethics issues in the company. A compulsory training programme, which all employees undergo every year, ensures that everyone receives knowledge of the policies and guidelines that apply in day-to-day work. The training programme also includes the code of conduct, ethical decisions, bribery and corruption.

Protective mechanisms for conflicts of interest and anti-corruption

Our independence from clients is ensured through evaluation procedures both the clients themselves and for individual engagements. We do not take on clients or assignments that do not meet KPMG's high requirements or if there is a conflict of interest in relation to completed or ongoing assignments. This is checked against KPMG's entire global network in a common system. We also have a structured process for analysing our integrity in audit and other certification assignments. In each case, we examine whether there are circumstances that could damage confidence in the responsible auditor's ability or willingness to perform the assignment. Should this be the case, the assignment will be declined. A corresponding test takes place for advisory assignments, with the main emphasis on any conflicts of interest.

To ensure that we comply with the law on measures against money laundering and terrorist financing, client checks are carried out. The checks prior to the approval of new clients also include management's integrity, business-related risks and financial risk. During 2019/20, a small proportion of the evaluated clients and assignments were considered to have an increased risk, which in some cases meant that we prematurely withdrew from existing assignments and rejected potential clients.

The rules concerning risk management and independence are set out in our global risk manual, KPMG Global Quality & Risk Management Manual (GQ & RMM). The rules are based on, among other things, The International Ethics Standards Board for Accountants (IESBA) and The International Standard on Quality Control 1 (ISQC1), issued by The International Federation of Accountants (IFAC).

Internal and external controls ensure compliance

The effectiveness of our processes and protection mechanisms, which are intended to prevent violations of rules and reduce the risk of conflicts of independence and interest, and corruption, is regularly monitored. This takes place in periodic reviews organised by KPMG International and through internal controls within the company. In addition, inspections are conducted by FAR and the Swedish Inspectorate of Auditors.

We are not only under the supervision of the above Inspectorate, but also of the US PCAOB, which carries out inspections, according to a special schedule, of the audit firms that audit SEC-registered companies or their related parties.

KPMG has insurance cover for audit and advisory designed to protect the business in the long term. The protection includes both Swedish and international insurance.

The company has a finance policy established by the Board to manage financial risks. Credit risk associated with trade receivables is spread over a large number of industries and legal entities.

SUSTAINABILITY REPORT 2019–20

We protect people, the environment and communities

KPMG's most important role is to create security and stability between players in the business community and ensure that the market's trust in our clients is maintained. Throughout our value chain, we have the opportunity to create, and the obligation to protect, value for people, the environment and communities. We create value through the advice and audits we perform and we contribute to the positive development of society by incorporating a sustainability perspective into our services.

In our own business, we strive to use resources in an enduring and sustainable way. KPMG's sustainability work is based on three dimensions that interact and support each other – our operations must be environmentally, socially and economically sustainable. KPMG's partners all over the world have the aim of leaving something better behind than they took over.

Our business model in a sustainability perspective

KPMG's business model is described in more detail in the Board of Directors' report under the section "General information about the business".

To highlight our business model from a sustainability perspective, we have mapped the expectations of the company and the business through dialogue with our stakeholders. The analysis has identified 12 areas which are most important for our sustainability work and at the same time our most significant risks from a sustainability perspective.

KPMG's greatest impact on people and the environment falls within the company's financial and social responsibility. The aspects that both our external and internal stakeholders highlight as most important are business risk, independence risk and quality. Financial stability and gender equality/diversity are also considered very important. Health and work-life balance, leadership and being an attractive employer are particularly important for both employees and company management.

During this year's review of the materiality analysis, it was established that all previous stakeholders remain unchanged and no new stakeholders have been added. During the year, we also did not receive any indications of the need to update the areas/aspects that the analysis showed to be essential for our sustainability work.

Clients and Market

KPMG's risk management, quality work, views on ethics and independence, and procedures to ensure long-term sustainable operations are described in the section "An ethical compass and independence are our hallmarks".

Personnel, social conditions and human rights

Employees are KPMG's most important asset. Our ability to attract, develop and retain employees is crucial to being able to operate the company sustainably and in a long-term perspective. Our approach as an employer is set out in the section "Our attractiveness has never been higher".

Human rights are not seen as one of KPMG's most significant risks, but are a cornerstone of our sustainability work. The low risk in this area is due to the fact that we operate almost exclusively in Sweden and therefore comply with Swedish labour law, legislation and regulations. This also applies to our suppliers.

Financial stability

KPMG has contributed to economic development globally and in Sweden for almost 100 years. The company was founded in 1923 and has shown positive results every year since then, enabling us to operate responsibly and with financial sustainability over time.

The 12 areas highlighted by our sustainability mapping with stakeholders can be grouped into five focus areas:

Clients and Market

Business ethics, independence and risk, quality, innovation and development, openness and transparency, evaluation of suppliers.

Employees

Attracting, developing and retaining employees, gender equality and diversity, health and work-life balance, leadership.

Economic value creation

Financial stability and growth.

Environment

Climate impact.

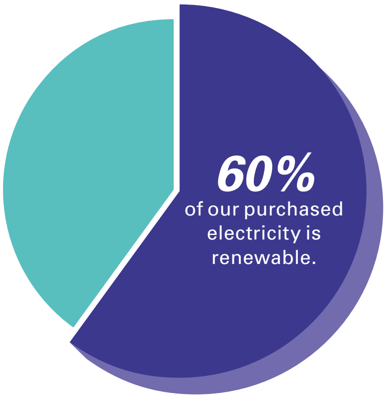
Community engagement

Community engagement (investments in time and money).

Environment – targets and measures

Climate change, shortage of resources and a negative impact on ecosystems are some of the biggest and most pressing challenges of our time.

Since the end of the 1990s, KPMG has had an environmental policy and environmental targets which are updated every year and our environmental work is designed in line with ISO 14001. In addition, KPMG Sweden follows KPMG's more than 10-year-old global environmental strategy, Global Climate Response. This is an action plan and at the same time a commitment to reduce carbon dioxide emissions per employee by 10 percent and ensure that at least 60 percent of the electricity we consume comes from renewable energy sources. The targets were defined in line with the Paris Agreement, which the UN Conference adopted in 2015, and are met by the end of 2020. Through active measures during the five-year period, we have reduced our carbon dioxide emissions per employee and in the previous year we achieved the target of 60 percent purchased renewable electricity.



Carbon dioxide emissions are measured and monitored based on, among other things, transport and electricity consumption. During 2019-20, KPMG's carbon dioxide emissions per employee have decreased significantly as a result of the pandemic and a lack of transport use, with a large proportion of our employees working at home and we have had travel restrictions to many countries. Most of our rental agreements are green, which means that both KPMG and the landlords are keen to continuously find environmentally and resource-efficient operating solutions. Several of our office premises have BREEAM and LEED environmental classification.

The fact that our suppliers share and work according to the same values as us is an important part of the drive to reduce our climate impact. During the financial year, we established a central function with purchasing responsibility, with the aim of better co-ordinating our purchases and contracting, ensuring the right quality of the goods/services we purchase and achieving cost-efficiency. In accordance with KPMG's environmental policy of integrating environmental considerations and sustainability into our purchasing, we always consider the bidders' environmental and sustainability work when choosing suppliers. All suppliers above a certain contract value must confirm that they:

- Comply with national and international regulations on working conditions.
- Work to ensure that fundamental human rights, in accordance with UN conventions, are respected and complied with.
- Comply with laws and regulations in general.
- Take sustainability into account in their operations.
- Purchase/use organic goods as far as possible.
- Work to ensure that any subcontractors share the same values.

The majority of our suppliers are active in Sweden. We maintain close dialogue with them to ensure that the agreements are followed, both through our own analyses and with the help of suppliers who specialise in this type of analysis.

Engaged contributions to the community

Being a responsible company is important to KPMG. Every year, we invest part of our earnings in the community. These investments include financial contributions, knowledge-sharing, service development and voluntary activities in various forms.

Junior Achievement

KPMG has been a partner of Junior Achievement Sweden (JA) for a number of years. The organisation is located all over Sweden and works closely with schools to introduce entrepreneurship and business involvement into the education system.

The goal of our involvement in JA is to:

- contribute support, knowledge and inspiration to JA entrepreneurship
- contribute to continuing education among JA teachers
- increase the quality of educational material for JA students and teachers
- build relationships with the JA Alumni Network.

During the year, KPMG contributed to almost 100 activities locally. We have been on the jury since 2016 and award prizes for the best annual report at the Junior Achievement Swedish Championships. This year, the event was held virtually and the prize was awarded by Jenny Barksjö-Forslund from KPMG's management team. Other examples of activities during the financial year include "Manager for a day", where two JA alumni shadowed our CEO Patrik Anderbro during a working day, and the Christmas market, where about ten JA companies in the Stockholm region marketed their products at the Stockholm office.

Young Shareholders

During the financial year, KPMG joined Young Shareholders in arranging an event targeting younger women, aimed at building an interest in finance by highlighting successful female role models in the finance industry and hearing their stories. From KPMG, two younger female employees talked about what it is like to work at Corporate Finance and Transaction Services within Deal Advisory. The event was organised together with Avanza and Handelsbanken, from which two female savings economists each held a session on savings and personal finance.

Women Corporate Directors

Women Corporate Directors (WCD) is the world's largest network of female directors. WCD was established in 1998 and works from 80 locations around the world. The purpose of the network is to inspire visionary board work. KPMG International has been global lead sponsor of WCD for over 10 years and has a long-term collaboration at both global and local levels. Each local WCD network is run by an external, independent chair and a co-chair from KPMG. In our Swedish network, Tina Zetterlund has the role of co-chair and Kia Orback Pettersson has been the external independent chair since 2018. The goal of our commitment to WCD is to:

- increase female representation on boards
- increase and facilitate the recruitment of qualified female board candidates
- promote a strong, global community of influential women in leadership positions
- inspire boards around the world by providing training and tools that keep members engaged, informed and high-performing.

During the financial year, our Swedish WCD network has arranged four meetings on topical and inspiring themes.

Digital solution to help Sweden in time of crisis

In spring, KPMG responded to the government's call to "Hack the Crisis" to save lives, communities and companies. Together with Swedish companies and organisations from all over the country, a team from KPMG participated in a "Hackathon". It was a proud moment for KPMG when in the space of one weekend we developed a digital tool that matches everyone who has received some form of healthcare training in Sweden with different hospitals' urgent needs for healthcare staff.

The team that participated are specialists in creating and implementing value-creating technical solutions by combining KPMG's expertise in business development and business management with the expertise in advanced data analysis and Artificial Intelligence at Lighthouse. It was only natural that KPMG would use its expertise to try to mitigate the impact of the crisis.

Board of Directors' Report

The Board and CEO of Bohlinsgruppen AB (556360-5301), registered office in Stockholm, herewith submit the annual report and consolidated accounts for the financial year 1 October 2019 – 30 September 2020.

General information about the business

Bohlinsgruppen AB is the parent company of the Bohlinsgruppen group. The head office is located in Stockholm.

The business operations are conducted mainly in the subsidiary KPMG AB. In the market, the name KPMG is used for the overall business.

KPMG offers audit, tax and advisory services. During the year, KPMG AB acquired KPMG's operations in Latvia. In total, the number of employees in the two countries amounts to 1,800.

KPMG AB is a member of KPMG International, one of the world's leading auditing and advisory organisations, with over 219,000 employees in 147 countries.

The Swedish operations are conducted in offices established at locations throughout the country. In Latvia, we have an office in Riga.

The group also includes a wholly-owned insurance company, Bohlinsgruppen i Sverige Försäkring AB, whose purpose is to take out the liability insurance required for the operations conducted within the group.

KPMG offers its combined expertise in three business areas: Audit, Tax & Legal and Advisory, which all co-operate to contribute, both together and in dialogue with our clients, to ensure that individual companies, the business sector and society develop favourably.

Audit delivers audits and audit services to the entire market from the largest international listed companies to small and medium-sized owner-managed companies. Audit builds trust between market players and creates the conditions for sound business, good control and effective governance. It creates stability and quality assurance of financial information for the benefit of owners, investors, lenders and other stakeholders. A KPMG audit provides a professional and independent assessment of whether the annual report provides a true and fair view of a company's operations, results, assets and liabilities. The audit also ensures that the annual report complies with the rules for financial reporting.

Tax & Legal offers specialist expertise in Swedish and international corporate taxation, personal taxation, customs, tax issues related to transactions and various legal issues that affect both companies and their owners. With the support of our tax specialists, companies can ensure that they comply with existing legal requirements and are also able to take advantage of the opportunities that arise from taxation laws. The role of tax adviser has changed in line with changes in the external environment. Tax is currently also seen as a sustainability issue with a strong focus on how companies pay their taxes. Tax & Legal's advice covers the needs of large international listed companies to those of smaller family-owned companies.

Advisory offers a high level of competence in financial and commercial advice, and risk management. Our consultants contribute to the development of both the business community and the public sector. We help companies and organisations with specialist accounting and streamlining of operations using new processes and innovations. We know the regulations, we know what is involved in implementation and compliance, and we help our clients to align themselves with a digitalised and connected world. We are a very knowledgeable, reliable and dedicated partner in the area of corporate transactions. We assist in identifying and managing opportunities and risks in companies' business activities, with the aim of ensuring long-term positive development. This also includes competence in sustainability issues, an aspect that is increasingly being integrated into companies' and organisations' strategies and governance.

During the financial year, KPMG's operations in Latvia were acquired by KPMG Sweden. The total number of employees in the two countries is 1,800.

KPMG IN SWEDEN AND LATVIA

1,800
employees

110
partners

EVERY YEAR KPMG CARRIES OUT

20,000
client assignments

130
seminars

100
surveys and reports

KPMG GLOBAL

219,000
employees

147
countries

Significant events during the financial year

Covid 19
The outbreak of Covid 19 has affected KPMG during the financial year. The pandemic caused concern about the disease itself and its consequences, and also led to an adaptation of how we worked within the company and how our meetings with clients, advisory activities and services were conducted. Read more under the sections about the market and employees on pages 8-13.

Acquisition of KPMG Latvia
During the financial year, KPMG Sweden acquired KPMG in Latvia, with offices in Riga and approximately 200 employees, including three partners. The acquisition did not involve any significant organisational changes for either country during the year.

Organisational change
During the year, KPMG Sweden conducted major internal change management in order to keep pace with developments in the external environment and to reflect the goal of working more uniformly in common processes, clarifying roles, adopting new technologies and working methods, and organising ourselves in an optimal way.

Significant events after the end of the financial year

Sweden also decided to acquire KPMG in Lithuania during the year. The acquisition was finalised on 1 October 2020. KPMG Lithuania has two offices, in Vilnius and Klaipeda, and about 170 employees, including four partners.

Non-financial information

KPMG publishes an annual Transparency Report, prepared in accordance with the EU's Eighth Company Law Directive, Section 22a of the Auditors Act (2001:883) and the Auditors Regulation (1995:665) KPMG's Transparency Report describes organisation and governance, systems for quality assurance, treatment of independence issues, compensation to shareholders and financial information. The Transparency Report is available to read and download at kpmg.se.

Expected future development

The pandemic has affected both the global and the Swedish economy. After a dramatic fall in Swedish GDP in spring, the economy took a strong upward turn in early autumn. The government is taking measures to support companies and households. Economic policy measures, a gradual adjustment of household and business behaviour, increased external demand and supply chains that are working again are contributing to the recovery, but we are in a situation where many companies have problems and unemployment
is significantly higher than before the pandemic.

Our assessment is that there will continue to be strong demand for auditing, tax and advisory services in the future, but that the business sector and capital markets will feel uncertainty about the effects of the pandemic next year. We need to be sensitive to how our clients are affected and to monitor changes in demand in order to quickly adapt and respond to different sscenarios. Our rapid adaptation in spring 2020 shows that we have the capacity to be a secure partner for our clients even when the unexpected happens.

In the coming year, we will integrate the operations in Latvia and Lithuania, providing new opportunities for clients and the market, and creating synergies internally. We will also further develop co-operation with our Nordic neighbours in order to become even more attractive as an employer and stronger in the market.

Significant risks and uncertainties

In April 2019, KPMG AB received a claim for damages and thereafter, in November, a document instituting proceedings, from Concent Holding AB. The claim for damages amounts to SEK 97,750 thousand plus interest. The claim is based on an allegation of deficiencies in the audit, in that no observations and objections were submitted, while, according to Concent Holding, they should have been submitted with reference to good auditing practice. KPMG AB has appointed a representative and this representative has rejected the claim on our behalf based on what has emerged from initial investigations. The Board continues to monitor developments in the matter. If other cases of claims against KPMG arise, they will also be monitored.

Sustainability report

In accordance with the Annual Accounts Act, Chapter 6, Section 10, the group has prepared its statutory sustainability report as an separate component of this annual report.
See pages 16-19.

Earnings and financial position

Group
The group's net sales increased to SEK 2,562 (2,420) million and staff costs increased to SEK 1,546 (1,421) million. The average number of employees increased by 185 to 1,585 (1,400), partly due to our acquisition of KPMG Baltics in Latvia, which had 180 employees at the end of September 2020. Other external expenses increased by SEK 21 million to SEK 726 (705) million. Profit after financial items declined by SEK 12 million to SEK 262 (274) million.

The equity/assets ratio was 27.7 (25.5) percent. Cash and cash equivalents amounted to SEK 655 (822) million at the end of the financial year.

Parent company
Bohlinsgruppen AB provides services to the subsidiaries and administers loans from partners. The operations and administration are conducted largely in co-ordination with the subsidiary KPMG AB. The average number of employees was 8 (11). Salaries and other benefits amounted to SEK 8 (11) million. Further information can be found in note 6.

During the year, the parent company carried out three new issues totalling 1,018 shares. The most recent new issue of 50 shares was registered with the Swedish Companies Registration Office on 2 October 2020.

Multi-year overview Note 33

Group

Amounts in SEK millions	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016
Net sales	2,562	2,420	2,535	2,384	2,222
Operating profit	274	286	566	245	181
Profit after financial items	262	274	566	244	179
Profit for the year	202	210	511	184	133
Non-current assets	112	86	69	82	103
Current assets	1,283	1,488	1,619	1,064	1,046
Equity	362	366	658	323	284
Provisions	27	38	53	71	79
Current liabilities	1,007	1,170	978	753	786
Total assets	1,396	1,574	1,689	1,146	1,149
Operating margin, %	10.7	11.8	22.3	10.3	8.1
Equity/assets ratio, %	27.7	25.5	41.8	33.8	30.9
Liquidity	655	822	981	428	400
Net sales per employee (SEK 000)	1,617	1,729	1,629	1,548	1,424
Staff cost per employee (SEK 000)	976	1,015	999	967	926
Average number of employees	1,585	1,400	1,556	1,540	1,560

Proposed appropriation of the company's profit
The Board proposes that the unrestricted equity of SEK 324,888,791 be distributed as follows:

Dividend (69,533 shares x SEK 2,924 per share)		203,314,492
Carried forward		121,574,299
	Total	324,888,791

More detailed disclosures about the group's and the parent company's financial results and position can be found in the income statements, balance sheets and accompanying notes.

Financial information

Consolidated income statement

Amounts in SEK thousands

	Note	01/10/2019 -30/09/2020	01/10/2018 -30/09/2019
Net sales	3	2,562,328	2,420,057
Other operating income	4	12,412	14,559
		2,574,740	2,434,616
Operating expenses			
Other external expenses	5	-725,751	-705,075
Staff costs	6	-1,546,431	-1,421,213
Depreciation, amortisation and impairment of assets		-28,439	-22,412
Other operating expenses		-87	-43
Operating profit	7	274,032	285,873
Profit/loss from financial items			
Interest and similar income	9	1,387	1,279
Interest and similar expenses	10	-13,686	-13,070
Profit after financial items		261,733	274,082
Profit before tax		261,733	274,082
Tax on profit for the year	11	-59,685	-64,559
PROFIT FOR THE YEAR		202,048	209,523
Attributable to shareholders of the parent company		202,048	209,523

Consolidated balance sheet

Amounts in SEK thousands

	Note	30/09/2020	30/09/2019
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Internally generated software	12	53,232	19,873
Acquired software	13	5,726	1,435
Licences	14	206	336
Goodwill	15	9,885	12,843
		69,049	34,487
Property, plant and equipment			
Leasehold improvements	16	7,339	9,932
Equipment, tools, fixtures and fittings	17	35,278	41,267
		42,617	51,199
Financial assets			
Other securities held as non-current assets	20	647	647
		647	647
Total non-current assets		112,313	86,333
CURRENT ASSETS			
Current receivables			
Trade receivables		358,796	395,860
Current tax receivable		69,343	11,727
Accrued income, not invoiced		135,456	157,156
Other receivables		5,338	33,140
Prepayments and accrued income	21	59,003	67,500
		627,936	665,383
Cash and bank balances			
Cash and bank balances		655,278	822,441
		655,278	822,441
Total current assets		1,283,214	1,487,824
TOTAL ASSETS		1,395,527	1,574,157

Consolidated balance sheet

Amounts in SEK thousands

	Note	30/09/2020	30/09/2019
EQUITY AND LIABILITIES			
Equity	22		
Share capital	23	10,617	10,462
Other paid-in capital		169,347	167,162
Retained earnings, including profit for the year		181,633	187,879
Total equity		361,597	365,503
Provisions			
Provisions for pensions etc.	24	2,334	3,155
Deferred tax liability	25	24,363	35,206
		26,697	38,361
Current liabilities			
Trade payables		90,820	124,331
Loans from shareholders		438,082	507,803
Other liabilities		110,841	114,192
Accruals and deferred income	26	367,490	423,967
		1,007,233	1,170,293
TOTAL EQUITY AND LIABILITIES	27	1,395,527	1,574,157

Consolidated statement of changes in equity

Amounts in SEK thousands

30 September 2019

	Share capital	*Other paid-in capital*	*Ret. earnings, incl. profit*	*Total equity*
Opening balance	10,081	161,864	485,671	657,616
Profit for the year			209,523	209,523
Transactions with owners				
Dividend			-507,315	-507,315
New share issue	503	6,997	–	7,500
Withdrawal of own shares, not registered	-122	-1,699	–	-1,821
Total	381	5,298	-507,315	-501,636
At end of year	10,462	167,162	187,879	365,503

30 September 2020

	Share capital	*Other paid-in capital*	*Ret. earnings, incl. profit*	*Total equity*
Opening balance	10,462	167,162	187,879	365,503
Profit for the year			202,048	202,048
Changes recognised directly in equity				
Translation differences	–	–	-129	-129
Total	–	–	-129	-129
Transactions with owners				
Dividend			-208,165	-208,165
New share issue	155	2,185	–	2,340
Total	155	2,185	-208,165	-205,825
At end of year	10,617	169,347	181,633	361,597

Consolidated cash flow statement

Amounts in SEK thousands

	Note	01/10/2019 -30/09/2020	01/10/2018 -30/09/2019
Operating activities			
Profit after financial items	28	261,733	274,082
Adjustment for non-cash items	30	29,093	32,409
		290,826	306,491
Income tax paid		-131,265	-116,823
Cash flow from operating activities before changes in working capital		159,561	189,668
Cash flow from changes in working capital			
Increase/decrease in operating receivables		121,094	-13,037
Decrease in operating liabilities		-111,390	-85,335
Cash flow from operating activities		169,265	91,296
Investing activities			
Acquisition of property, plant and equipment		-13,208	-23,410
Disposal of property, plant and equipment		819	4,213
Acquisition of intangible assets		-42,784	-19,266
Acquisition of subsidiaries/operations, net liquidity effect	30	-3 998	-9 436
Disposal of subsidiaries/operations, net liquidity effect	30	210	717
Cash flow from investing activities		-58,961	-47,182
Financing activities			
New share issue		2,340	7,500
Withdrawal of own shares		-1,821	–
Change in deposits from partners		-69,721	297,439
Dividend paid to shareholders of the parent company		-208,165	-507,315
Cash flow from financing activities		-277,367	-202,376
Cash flow for the year		-167,063	-158,262
Cash and cash equivalents at beginning of year		822,441	980,703
Exchange differences		-100	–
Cash and cash equivalents at end of year	29	655,278	822,441

Parent company income statement

Amounts in SEK thousands

	Note	01/10/2019 -30/09/2020	01/10/2018 -30/09/2019
Net sales	*3*	11,103	14,649
		11,103	14,649
Operating expenses			
Other external expenses	*5*	-32	-70
Staff costs	*6*	-11,103	-14,649
Operating profit/loss		-32	-70
Profit/loss from financial items			
Profit/loss from investments in group companies	*8*	155,115	200,957
Other interest and similar income	*9*	1,792	–
Interest and similar expenses	*10*	-13,266	-11,264
Profit after financial items		143,609	189,623
Appropriations			
Group contributions		50,000	11,334
Profit before tax		193,609	200,957
Tax on profit for the year	*11*	-8,238	–
PROFIT FOR THE YEAR		185,371	200,957

Parent company balance sheet

Amounts in SEK thousands

	Note	30/09/2020	30/09/2019
ASSETS			
NON-CURRENT ASSETS			
Financial assets			
Investments in group companies	*18*	225,471	226,539
Receivables from group companies	*19*	6,325	–
		231,796	226,539
Total non-current assets		231,796	226,539
CURRENT ASSETS			
Current receivables			
Receivables from group companies		179,732	278,274
Current tax receivable		–	934
Other receivables		1,261	275
Prepayments and accrued income	*21*	16	–
		181,009	279,483
Cash and bank balances			
Cash and bank balances		374,884	369,634
		374,884	369,634
Total current assets		555,893	649,117
TOTAL ASSETS		787,689	875,656

Parent company balance sheet

Amounts in SEK thousands

	Note	30/09/2020	30/09/2019
EQUITY AND LIABILITIES			
Equity	22		
Restricted equity			
Share capital	23	10,617	10,462
Statutory reserve		1,689	1,689
		12,306	12,151
Unrestricted equity			
Share premium reserve		45,543	43,358
Retained earnings		93,975	101,183
Profit for the year		185,371	200,957
		324,889	345,498
		337,195	357,649
Current liabilities			
Loans from shareholders		438,082	507,803
Liabilities to group companies		120	552
Current tax liability		7,304	–
Other liabilities		1,004	2,810
Accruals and deferred income	26	3,984	6,842
		450,494	518,007
TOTAL EQUITY AND LIABILITIES	27	787,689	875,656

Parent company statement of changes in equity

Amounts in SEK thousands

30 September 2019	Restricted equity		Unrestricted equity		
	Share capital	*Statutory reserve*	*Share premium reserve*	*Ret. earnings, incl. profit*	*Total equity*
Opening balance	10,081	1,567	38,060	608,620	658,328
Profit for the year				200,957	200,957
Transactions with owners					
Dividend				-507,315	-507,315
New share issue	503	–	6,997	–	7,500
Withdrawal of own shares, not registered	-122	122	-1,699	-122	-1 821
Total	381	122	5,298	-507,437	-501,636
At end of year	10,462	1,689	43,358	302,140	357,649

30 September 2020	Restricted equity		Unrestricted equity		
	Share capital	*Statutory reserve*	*Share premium reserve*	*Ret. earnings, incl. profit*	*Total equity*
Opening balance	10,462	1,689	43,358	302,140	357,649
Profit for the year				185,371	185,371
Transactions with owners					
Dividend				-208,165	-208,165
New share issue	155	–	2,185	–	2,340
Total	155	–	2,185	-208,165	-205,825
At end of year	10,617	1,689	45,543	279,346	337,195

Parent company cash flow statement

Amounts in SEK thousands

	Note	01/10/2019 -30/09/2020	01/10/2018 -30/09/2019
Operating activities			
Profit after financial items	*28*	143,609	189,623
Adjustment for non-cash items	*30*	-126,149	-189,100
		17,460	523
Income tax paid		–	–
Cash flow from operating activities before changes in working capital		17,460	523
Cash flow from changes in working capital			
Decrease in operating receivables		276,932	372,043
Decrease in operating liabilities		-1,313	-6,367
Cash flow from operating activities		293,079	366,199
Investing activities			
Shareholder contributions paid		-200	–
Acquisition of subsidiaries/operations	*30*	-1,961	-9,369
Disposal of subsidiaries/operations	*30*	554	3,410
Lending to group companies		-8,855	–
Cash flow from investing activities		-10,462	-5,959
Financing activities			
New share issue		2,340	7,500
Withdrawal of own shares		-1,821	–
Change in deposits from partners		-69,721	297,439
Dividend paid to shareholders of the parent company		-208,165	-507,315
Cash flow from financing activities		-277,367	-202,376
Cash flow for the year		5,250	157,864
Cash and cash equivalents at beginning of year		369,634	211,770
Cash and cash equivalents at end of year	*29*	374,884	369,634

Notes

Note 1 Accounting policies

Amounts in SEK thousands unless otherwise indicated.

The Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's General Recommendations BFNAR 2012:1 Annual report and consolidated statements (K3).

The parent company applies the same accounting policies as the group, apart from in the cases described below in the section "The parent company's accounting policies".

The accounting policies are unchanged from the previous year.

Assets, provisions and liabilities are measured at cost unless otherwise stated below.

Intangible assets

Internally generated software
When capitalising expenses for development, the capitalisation model is applied. This means that expenses incurred during the development phase are reported as an asset when all of the following conditions are met:

- It is technically possible to complete the intangible asset so that it will be available for use or sale.
- It is the intention to finalise the intangible asset and use or sell it.
- It is possible to use or sell the intangible asset.
- It is probable that the intangible asset will generate future economic benefits.
- Necessary and adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset.
- The expenditure attributable to the intangible asset can be measured reliably.

Other intangible assets
Other intangible assets consist mainly of acquired software and are recognised at cost less accumulated amortisation. Cost includes the initial purchase price, external consulting expenses and internally incurred expenditure on further development.

Amortisation
Amortisation is applied on a straight-line basis over the asset's estimated useful life and begins when the asset is available for use. Amortisation is recognised as an expense in the income statement.

Internally generated intangible assets	*Useful life*
Internally generated software	5 years

Acquired intangible assets	*Useful life*
Acquired software	3-5 years
Licences	5 years
Goodwill	3-5 years

Property, plant and equipment

Items of property, plant and equipment are recognised at cost less accumulated depreciation and impairment. In addition to the purchase price, cost also includes expenses that are directly attributable to the acquisition.

Depreciation
Depreciation is applied on a straight-line basis over the asset's estimated useful life, as it reflects the expected pattern of consumption of the asset's future economic benefits. Depreciation is recognised as an expense in the income statement.

	Useful life
Leasehold improvements	Remaining contract period 2-7 years
Equipment	5 years
Computers and major purchases of mobile phones	3-5 years

Impairment – property, plant and equipment, intangible assets and investments in group companies

At each reporting date, an assessment is made of whether there is any indication that an asset's value is lower than its carrying amount. If there is such an indication, the asset's recoverable amount is measured.

Leases

All leases are classified as finance or operating leases. A finance lease is a lease that transfers substantially all risks and rewards incidental to ownership of the asset from the lessor to the lessee. If this is not the case, the lease is classified as an operating lease.

Operating leases
All leases are reported as operating leases. Lease payments are recognised in accordance with the payment plans.

Foreign currency

Foreign currency items
Monetary items in foreign currencies are recalculated at the exchange rates on the reporting date. Non-monetary items are not recalculated but are recognised at the acquisition-date rate.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss in the year in which they arise.

Net investments in foreign operations
An exchange difference on a monetary item that is part of a net investment in a foreign operation and measured using the cost model is recognised as a separate component of equity in the consolidated financial statements.

Translation of foreign operations
Assets and liabilities, including goodwill and other fair value adjustments, are translated into the reporting currency at the closing rate. Income and expenses are translated at the daily spot rate for the business events unless a rate that is an approximation of the actual rate is used (average rate for the period). Exchange differences arising on translation are recognised directly in equity.

Financial assets and liabilities

Financial assets and liabilities are reported in accordance with Chapter 11 (Financial instruments measured at cost) in BFNAR 2012:1.

Recognition and derecognition
A financial asset or liability is recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument. A financial asset is derecognised when the contractual rights to receive the cash flows from the asset has expired or been settled. The same applies when the risks and rewards of ownership are substantially transferred to another party and the company no longer controls the financial asset. A financial liability is derecognised when the contractual obligation has been fulfilled or expired.

Measurement of financial assets
On initial recognition, financial assets are measured at cost, including any transaction costs directly attributable to the acquisition of the asset.

Current financial assets are subsequently measured at the lower of cost and net realisable value at the reporting date.

Trade and other receivables that are current assets are measured individually at the amounts expected to be received.

Non-current financial assets are subsequently measured at cost less any impairment, and with addition of potential revaluations.

Measurement of financial liabilities
Financial liabilities are measured at amortised cost. Expenses directly attributable to borrowings are adjusted in the loans acquisition value and are allocated to a particular period using the effective interest rate method.

Average number of employees

The average number of employees is calculated by taking total time worked divided by theoretical working time less absence.

Employee benefits

Post-employment benefits
Post-employment benefit plans are classified as either defined-contribution or defined-benefit.

Under defined-contribution plans, determined fees are paid to another entity, normally an insurance company, and the company no longer has any obligation to the employee when the contribution has been paid. The size of the employee's post-employment benefits depends on the contributions that have been paid, together with investment returns arising from the contributions.

Under defined-benefit plans, the company has an obligation to provide the agreed benefits to present and former employees. The company essentially bears the risk of the benefits being higher than expected (actuarial risk) and the risk of the return on the assets differing from expectations (investment risk). Investment risk exists even if the assets are transferred to another company.

Defined-contribution plans
The fees for defined-contribution plans are recognised as an expense. Unpaid contributions are recognised as a liability.

Defined-benefit plans
The company has chosen to apply the the simplifying rules presented in BFNAR 2012:1.

Plans for which pension premiums are paid are accounted for as defined-contribution plans, which means that the fees are expensed in the income statement.

Termination benefits

Termination benefits, to the extent that they do not provide the company with any future financial benefits, are only recognised as a liability and an expense when the company has a legal or informal obligation to either

a) terminate the employment of an employee or group of employees before the normal time for the employment's termination, or;

b) provide termination benefits as a result of offerings that encourage voluntary termination.

Termination benefits are only reported when the company has a detailed plan for the termination and does not have any realistic possibility of withdrawal.

Tax

Tax on profit for the year in the income statement consists of current tax and deferred tax. Current tax is income tax for the current financial year which refers to the taxable profit for the year and the part of the previous financial year's income tax that has not yet been recognised. Deferred tax is income tax for taxable profit in future financial years as a result of previous transactions or events.

Deferred tax liabilities are recognised for all taxable temporary differences, but not for temporary differences attributable to initial recognition of goodwill. Deferred tax assets are recognised for deductible temporary differences and for the possibility of using tax loss carryforwards in the future. Measurement is based on how the carrying amount of the corresponding asset or liability is expected to be recovered or settled. The amounts are based on the tax rates and regulations that have been enacted on the reporting date and have not been discounted to the present value. In the consolidated financial statements, untaxed reserves are divided into deferred tax liabilities and equity.

Provisions

A provision is recognised in the balance sheet when the group has a present obligation (legal or informal) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount.

At initial recognition, provisions are measured at the best estimate of the amount that will be be required to settle the obligation at the reporting date provisions are reviewed every reporting date.

The provision is accounted for as the present value of future payments that are required to settle the obligation.

Contingent liabilities

A contingent liability is:

- A potential obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or

- An existing obligation as a result of past events, but which is not reported as a liability or provision as it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be estimated with sufficient reliability.

Contingent liabilities is the common term for warranties, financial obligations and any liabilities that are not recognised in the balance sheet.

Claims for damages

Claims for damages may be made against KPMG and individual auditors or advisers as a result of their professional practice. If it is probable that a claim for damages involves the risk of costs for the company, a provision is recognised. If it is not probable that a claim for damages involves the risk of costs for the company or the risk is only negligible, claims are reported under either contingent liabilities or in the Board of Directors' report, depending on the size of the risk. If there is no risk or a risk that is considered negligible, no information is provided in the annual report, unless there are special reasons.

Revenue recognition and reporting of uninvoiced fees

The inflow of financial benefits that the Company receives or will receive on its own behalf are recognised as revenues. Revenue is measured at the fair value of the consideration received or receivable, less any discounts.

The group recognises service contracts on an ongoing basis as the work is performed.

Uninvoiced service contracts in progress are recognised in the balance sheet up to the estimated invoice value of work performed. Fixed-price contracts are recognised based on the percentage of completion at the balance sheet date.

Basis of consolidation

Subsidiaries
Subsidiaries are entities in which the parent company directly or indirectly owns more than 50% of the votes or has some other form of control. Control exists when the parent company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Reporting of business combinations is based on the entity method. This means that the purchase price allocation is prepared on the date on which the acquirer obtains control. From this point on, the acquirer and the acquired entity are viewed as one accounting entity. Application of the entity method also means that all assets (including goodwill) and liabilities, and income and expenses are also included in their entirety for partly-owned subsidiaries.

The cost of acquisition for subsidiaries is calculated as the sum of the acquisition date fair value of assets given, liabilities incurred or assumed, issued equity instruments, expenses that are directly attributable to the business combination and any additional consideration. The purchase price allocation determines the acquisition date fair value of identifiable assets acquired, liabilities assumed and non-controlling interests, with some exceptions. Non-controlling interests are measured at the acquisition-date fair value. The acquired entity's income and expenses, identifiable assets and liabilities, and any goodwill or negative goodwill that has arisen are included in the consolidated financial statements from the acquisition date.

Goodwill
Goodwill on consolidation arises when the cost of acquired interests in a subsidiary exceeds the fair value of the acquired company's identifiable net assets as shown in the acquisition analysis. Goodwill is recognised at cost less accumulated amortisation and any impairment losses.

Negative goodwill
Negative goodwill arises when the cost of acquired interests in a subsidiary is below the fair value of the acquired company's identifiable net assets as shown in the acquisition analysis.

The parent company's accounting policies

The parent company's accounting policies are the same as the policies for the consolidated accounts, apart from in the cases described below.

Anticipated dividend
As the parent company holds more than half of the votes for all shares in the subsidiary, dividends are reported when the right to receive payment is established and the amount can be calculated reliably.

Group and shareholder contributions
Group contributions received and provided are reported as an appropriation in the income statement. These group contributions have affected the company's current tax.

Repaid shareholder contributions are reported in the balance sheet as a reduction in the carrying amount of the shareholding.

Note 2 Accounting estimates and judgements

Preparation of financial statements and application of accounting policies are based on management's judgements, estimates and assumptions that are considered reasonable and correctly assessed at the time they were made. The most important assumptions about the future, and other significant sources of estimate uncertainty on the reporting date, are described below.

Trade receivables

Uncertainty
The group makes regular analyses of the risk in outstanding receivables, and impairment losses are recognised for doubtful receivables.

Accrued income, not invoiced

Uncertainty
The group regularly evaluates accrued but not invoiced income. An assessment is made of the amount expected to be received and any difference is recognised as a provision.

Goodwill

Judgements
Management makes judgements related to acquisitions that have been made. The purchase consideration is allocated into identifiable assets, liabilities and contingent liabilities measured at fair value. Excess amounts are recognised as goodwill.

Uncertainty
Impairment testing is conducted annually or as soon as there is an indication that an asset has declined in value.

Claims for damages

Assessments
In the event of a claim for damages, external lawyers are engaged to support the assessment.

Estimates and judgements made during the financial year can also be found in the Board of Directors' report.

Note 3 Net sales by business segment and geographical market

	01/10/2019 -30/09/2020	01/10/2018 -30/09/2019
Group		
Net sales by business segment		
Audit	1,181,339	1,076,722
Advisory	1,380,989	1,343,335
	2,562,328	2,420,057
Net sales by geographical market		
Sweden	2,524,785	2,420,057
Latvia	37,543	–
	2,562,328	2,420,057

	01/10/2019 -30/09/2020	01/10/2018 -30/09/2019
Parent company		
Net sales by business area		
Intra-group sales	11,103	14,649
	11,103	14,649
Net sales by geographical market		
Sweden	11,103	14,649
	11,103	14,649

Note 4 Other operating income

	01/10/2019 -30/09/2020	01/10/2018 -30/09/2019
Group		
Exchange gains on operating assets/liabilities	7,610	3,353
Capital gain on sale of operations	–	1,000
Gain on sale of equipment	260	3,508
Other	4,542	6,698
	12,412	14,559

Note 5 Auditors’ fees and expenses

	01/10/2019 -30/09/2020	01/10/2018 -30/09/2019
Group		
Mazars AB		
Audit services	541	475
Other accounting services	40	40
	581	515
BDO		
Audit services	135	106
	135	106
SIA PKF Latvia		
Audit services	50	–
	50	–
Group total	766	621

The parent company’s audit fees are borne by KPMG AB.

Audit services comprise the statutory audit of the annual report and accounting records, administration by the Board of Directors and CEO, and any auditing and other examination performed in accordance with agreements or contracts.

This also includes other procedures required to be carried out by the company's auditors, as well as advice or other assistance arising from observations made during the audit or while performing such other procedures.

Note 6 Employees, staff costs and Board fees

	01/10/2019 -30/09/2020	of which men	01/10/2018 -30/09/2019	of which men
Average number of employees				
Parent company				
Sweden	8	69%	11	68%
Parent company total	8	69%	11	68%
Subsidiaries				
Sweden	1,487	49%	1,389	49%
Latvia	90	35%	–	0%
Subsidiaries total	1,577	49%	1,389	49%
Group total	1,585	49%	1,400	49%

Gender distribution in senior executives	30/09/2020 *Women, %*	30/09/2019 *Women, %*
Parent company		
Board	29%	29%
Group total		
Board	29%	29%
Other senior executives	36%	18%

Salaries and other benefits, social security contributions, including pension costs

	01/10/2019 - 30/09/2020		01/10/2018 - 30/09/2019	
	Salaries and benefits	Social security contributions	Salaries and benefits	Social security contributions
Parent company	7,943	3,041	10,869	3,582
(of which pension cost)		(911)		(1,016)
Subsidiaries	953,326	496,923	844,098	448,521
(of which pension cost)	(150,982)	(137,666)		
Group total	961,269	499,964	854,967	452,103
(of which pension cost)		(151,893)		(138,682)

Salaries and other benefits (Board, CEO and other employees)

	01/10/2019 - 30/09/2020		01/10/2018 - 30/09/2019	
	Board, CEO and Deputy CEOs	Other employees	Board, CEO and Deputy CEOs	Other employees
Parent company	–	7,943	–	10,869
Subsidiaries	12,083	941,243	8,187	835,911
(of which bonus etc.)	(–)	(–)	(246)	(–)
Group total	12,083	949,186	8,187	846,780

All Board members work as auditors and consultants in the subsidiary KPMG AB.

All persons in company management are members of contractual pension plans.
Under the employment contracts, a mutual notice period of six months generally applies.

Note 7 Operating leases

	30/09/2020	30/09/2019
Leases where the company is lessee		
Group		
Future minimum lease payments under non-cancellable operating leases		
Within one year	132,852	131,719
One to five years	192,486	288,110
After five years	22,774	44,307
	348,112	464,136

	01/10/2019 -30/09/2020	01/10/2018 -30/09/2019
Expensed lease payments for the financial year	133,571	126,058

The lease payments are essentially related to premises rental costs.

Note 8 Profit/loss from investments in group companies

	01/10/2019 -30/09/2020	01/10/2018 -30/09/2019
Dividend	28,966	11,857
Capital gain/loss on disposal of investments	-513	1,022
Impairment	-200	–
Anticipated dividend	126,862	188,078
	155,115	200,957

Note 9 Interest and similar income

	01/10/2019 -30/09/2020	01/10/2018 -30/09/2019
Group		
Interest income, trade receivables	1,371	1,278
Interest income, tax account	–	1
Interest income, other	16	–
	1,387	1,279
Parent company		
Interest income, group companies	1,776	–
Interest income, other	16	–
	1,792	–

Note 10 Interest and similar expenses

	01/10/2019 -30/09/2020	01/10/2018 -30/09/2019
Group		
Interest expenses, trade payables	-26	-51
Interest expenses, partner funds	-12,482	-10,818
Interest expenses, tax account	-76	-456
Other	-1,102	-1,745
	-13,686	-13,070
Parent company		
Interest expenses, partner funds	-12,482	-10,818
Other	-784	-446
	-13,266	-11,264

Note 11 Tax on profit/loss for the year

	01/10/2019 -30/09/2020	01/10/2018 -30/09/2019
Group		
Current tax expense	-70,528	-77,099
Deferred tax	10,843	12,540
	-59,685	-64,559

-	01/10/2019 30/09/2020	01/10/2018 -30/09/2019
Parent company		
Current tax expense	-8,238	–
	-8,238	–

Reconciliation of effective tax	01/10/2019 -30/09/2020		01/10/2018 -30/09/2019	
	Percent	*Amount*	*Percent*	*Amount*
Group				
Profit before tax		261,733		274,082
Tax according to parent's applicable tax rate	21.4%	-56,011	22.0%	-60,298
Effect of other tax rates for foreign subsidiaries	0.0%	16	0.0%	–
Amortisation of goodwill on consolidation	0.2%	-601	0.2%	-463
Other group adjustments	0.0%	47	0.2%	-575
Other non-deductible expenses	1.2%	-3,163	1.8%	-4,956
Non-taxable income	0.0%	–	-0.3%	851
Increase in loss carryforwards with no corresponding capitalisation of deferred tax	0.0%	18	0.0%	–
Tax attributable to prior years	0.0%	-111	0.1%	-138
Effect of changes to tax rates and tax rules	0.0%	-10	-0.4%	1,014
Costs to be deducted but not included in recognised profit	-0.1%	133	0.0%	–
Other	0.0%	-3	0.0%	6
Recognised effective tax	22.8%	-59,685	23.6%	-64,559

	01/10/2019 -30/09/2020		01/10/2018 -30/09/2019	
	Percent	*Amount*	*Percent*	*Amount*
Parent company				
Profit before tax		193,609		200,957
Tax according to parent's applicable tax rate	21.4%	-41,432	22.0%	-44,211
Non-deductible expenses	0.1%	-153	0.0%	–
Non-taxable income	-17.2%	33,347	-22.0%	44,211
Recognised effective tax	4.3%	-8,238	0.0%	–

Note 12 Internally generated software

	30/09/2020	30/09/2019
Group		
Accumulated cost		
At beginning of year	39,570	25,293
Internally generated assets	38,493	14,277
At end of year	78,063	39,570
Accumulated amortisation		
At beginning of year	-19,697	-16,765
Amortisation for the year	-5,134	-2,932
At end of year	-24,831	-19,697
Carrying amount at end of year	53,232	19,873

SEK 38,447 (14,232) thousand of the year's internally generated assets is related to assets under development, for which amortisation has not begun.

Note 13 Acquired software

	30/09/2020	30/09/2019
Group		
Accumulated cost		
At beginning of year	1,435	8,733
Acquisitions	4,291	4,989
Disposals	–	-12,287
At end of year	5,726	1,435
Carrying amount at end of year	5,726	1,435

SEK 5,726 (1,435) thousand of the year's remaining acquired software is related to assets under development, for which amortisation has not begun. Before the end of the previous financial year and the annual financial statements, it was decided to close and scrap the ERP project, and accumulated capitalisation of just over SEK 12 million was recognised as an expense.

Note 14 Licences

	30/09/2020	30/09/2019
Group		
Accumulated cost		
At beginning of year	651	651
At end of year	651	651
Accumulated amortisation		
At beginning of year	-315	-185
Amortisation for the year	-130	-130
At end of year	-445	-315
Carrying amount at end of year	206	336

Note 15 Goodwill

	30/09/2020	30/09/2019
Group		
Accumulated cost		
At beginning of year	84,268	96,474
Acquisitions of assets/operations	–	13,106
Disposals and discontinuation of operations	-31,053	-25,312
At end of year	53,215	84,268
Accumulated amortisation		
At beginning of year	-69,425	-89,720
Disposals and discontinuation of operations	31,053	22,743
Amortisation for the year	-2,958	-2,448
At end of year	-41,330	-69,425
Accumulated impairment		
At beginning of year	-2,000	-2,000
At end of year	-2,000	-2,000
Carrying amount at end of year	9,885	12,843

Note 16 Leasehold improvements

	30/09/2020	30/09/2019
Group		
Accumulated cost		
At beginning of year	17,536	13,784
Acquisitions	1,155	3,905
Disposals	-2,016	-153
At end of year	16,675	17,536
Accumulated depreciation		
At beginning of year	-7,604	-5,920
Reversal of depreciation on disposal	1,004	153
Reclassifications	37	–
Depreciation for the year	-2,773	-1,837
At end of year	-9,336	-7,604
Carrying amount at end of year	7,339	9,932

Note 17 Equipment, tools, fixtures and fittings

	30/09/2020	30/09/2019
Group		
Accumulated cost		
At beginning of year	105,732	127,934
Acquisitions	12,053	19,505
Business combinations	2,406	52
Disposals	-8,578	-42,009
Reclassifications	–	250
Translation differences for the year	-111	–
At end of year	111,502	105,732
Accumulated depreciation		
At beginning of year	-64,465	-89,545
Business combinations	-1,745	-12
Reversal of depreciation on disposal	7,386	40,407
Reclassifications	-37	-250
Depreciation for the year	-17,444	-15,065
Translation differences for the year	81	–
At end of year	-76,224	-64,465
Carrying amount at end of year	35,278	41,267

Note 18 Investments in group companies

	30/09/2020	30/09/2019
Accumulated cost		
At beginning of year	259,828	248,925
Acquisitions	–	13,291
Capital contributions	200	–
Disposals	-1,068	-2,388
At end of year	258,960	259,828
Accumulated impairment		
At beginning of year	-33,289	-33,289
Impairment for the year	-200	–
At end of year	-33,489	-33,289
Carrying amount at end of year	225,471	226,539

Specification of parent company's and group's holdings of shares in group companies

			30/09/2020	30/09/2019
Subsidiary/Reg. no./Reg'd office	*Number of shares*	*Holding, % **	*Carrying amount*	*Carrying amount*
KPMG AB, 556043-4465, Stockholm	21,240	100.0	180,301	167,060
KPMG Baltics AS, 40003235171, Riga				
Bohlinsgruppen i Sverige Försäkring AB, 516406-0211, Stockholm	10,000	100.0	45,000	45,000
PDS Research International Consultants AB, 556546-8575, Stockholm	1,000	100.0	–	192
Bohlinsgruppen i Örebro AB, 556317-4068, Stockholm	1,000	100.0	–	120
Bohlins Revisionsbyrå AB, 556046-1641, Stockholm	1,000	100.0	120	120
Sveriges Revision AB, 556286-8082, Stockholm	1,000	100.0	–	120
Nässjö Ekonomihus AB, 556513-6750, Nässjö	1,000	100.0	–	536
Bohlinsgruppen i Stockholm AB, 556943-4805, Stockholm	1,000	100.0	–	50
Krenkoria AB, 559147-5818, Stockholm	500	100.0	–	50
Everdon Security AB, 556986-2278, Stockholm	500	100.0	50	13,291
			225,471	226,539

* Refers to the ownership share, which also corresponds to the share of the votes for the total number of shares.

KPMG AB acquired KPMG Baltics AS (40003235171) during the year, at a value of SEK 2,575 thousand.

During the financial year, the entire operations of Everdon Security AB were transferred to KPMG AB.

PDS Research International Consultants (556546-8575), Bohlinsgruppen i Örebro (556317-4068), Sveriges Revision (556286-8082), Nässjö Ekonomihus (556513-6750), Bohlinsgruppen i Stockholm (556943-4805) and Krenkoria (559147-5818) were sold during the year.

Bohlinsgruppen i Linköping (556377-8827), Företagsrevision Sjuhärad (556783-8189), Revisionsteamet i Norrland AB (556638-2056) and Revisionsteamet i Umeå AB (556412-7164) were sold during the previous year.

Note 19 Receivables from group companies

	30/09/2020	30/09/2019
Parent company		
Accumulated cost		
Additional receivables	10,077	–
Settled receivables	-637	–
Reclassifications	-2,530	–
Translation differences for the year	-585	–
At end of year	6,325	–
Carrying amount at end of year	6,325	–

Note 20 Other securities held as non-current assets

	30/09/2020	30/09/2019
Group		
Accumulated cost		
At beginning of year	647	647
At end of year	647	647
Carrying amount at end of year	647	647

Note 21 Prepayments and accrued income

	30/09/2020	30/09/2019
Group		
Rents	24,564	27,654
Insurance	16,663	16,917
Accrued income	1,313	6,486
Other items	16,463	16,443
	59,003	67,500
Parent company		
Accrued interest income	16	–
	16	–

Note 22 Appropriation of profit

Proposed appropriation of the company's profit

The Board proposes that the unrestricted equity of SEK 324,888,791 be distributed as follows:

Dividend (69,533 shares x SEK 2,924 per share)	203,314,492
Carried forward	121,574,299
Total	324,888,791

Note 23 Number of shares and par value

	30/09/2020	30/09/2019
A shares		
Number of shares	600	–
Par value	152.69	–
B shares		
Number of shares	67,933	68,215
Par value	152.69	152.69

According to the Swedish Companies Registration Office, the number of registered B shares on 30 September 2020 is 67,883. As of 2 October 2020, a new issue of 50 shares, submitted in August 2020, has been registered,. This new issue has been taken into account in the number of shares for the year.

According to the Swedish Companies Registration Office, the number of registered B shares on 30 September 2019 was 68,715. As of 2 October 2019, a withdrawal of 800 shares, submitted to the Swedish Companies Registration Office in early September, has been registered.
The withdrawal has been taken into account in the previous year's number of shares.
The liability to shareholders concerned is reported under Other liabilities.

A new issue of 300 shares was adopted after the end of the 2019 financial year and has been taken into account in the previous year's number of shares.

C shares		
Number of shares	1,000	600
Par value	152.69	152.69

Note 24 Provisions for pensions etc.

	30/09/2020	30/09/2019
Group		
Carrying amount at beginning of year	3,155	5,446
Amounts used during the year	-821	-2,291
Carrying amount at end of year	2,334	3,155

Note 25 Deferred tax

	Deferred tax asset	30/09/2020 Deferred tax liability	Net
Group			
Essential temporary differences			
Equipment	603	–	603
Tax value of work in progress	–	24,955	-24,955
Provisions for pensions	486	–	486
Other	1,968	–	1,968
Deferred tax on untaxed reserves	–	2,465	-2,465
Deferred tax asset/liability	3,057	27,420	-24,363

	Deferred tax asset	30/09/2019 Deferred tax liability	Net
Group			
Material temporary differences			
Equipment	319	–	319
Tax value of work in progress	–	32,308	-32,308
Provisions for pensions	662	–	662
Other	3,183	–	3,183
Deferred tax on untaxed reserves	–	7,062	-7,062
Deferred tax asset/liability	4,164	39,370	-35,206

Note 26 Accruals and deferred income

	30/09/2020	30/09/2019
Group		
Accrued salaries, holiday and overtime pay	196,743	225,601
Accrued social security contributions including payroll tax	132,304	139,194
Other items	38,443	59,172
	367,490	423,967
Parent company		
Accrued salaries, holiday and overtime pay	1,184	1,770
Accrued social security contributions including payroll tax	839	1,148
Other items	1,961	3,924
	3,984	6,842

Note 27 Pledged assets and contingent liabilities

	30/09/2020	30/09/2019
Group		
Pledged assets	11 068	None
Contingent liabilities	None	None

Pledged assets refer to an unused overdraft facility in KPMG Baltics AS.

Parent company		
Pledged assets	None	None
Contingent liabilities	None	None

Note 28 Interest received and paid

	01/10/2019 -30/09/2020	01/10/2018 -30/09/2019
Group		
Interest received	1,371	1,279
Interest paid	-5,094	-4,264
Parent company		
Interest received	1,775	–
Interest paid	-4,673	-2,458

Note 29 Cash and cash equivalents

	30/09/2020	30/09/2019
Group		
The following components are included in cash and cash equivalents:		
Bank deposits	655,278	822,441
	655,278	822,441

The above items have been classified as cash and cash equivalents on the basis that:
- They have an insignificant risk of changes in value.
- They can be readily converted to cash.
- They have an original maturity of 3 months or less.

In addition, there are unused overdraft facilities of SEK 200 (200) million in KPMG AB and EUR 750 thousand in KPMG Baltics AS.

	30/09/2020	30/09/2019
Parent company		
The following components are included in cash and cash equivalents:		
Bank deposits	374,884	369,634
	374,884	369,634

The above items have been classified as cash and cash equivalents on the basis that:
- They have an insignificant risk of changes in value.
- They can be readily converted to cash.
- They have an original maturity of 3 months or less.

Note 30 Other cash flow statement information

Adjustments for non-cash items	01/10/2019 -30/09/2020	01/10/2018 -30/09/2019
Group		
Depreciation/amortisation	28,439	22,412
Scrapping of ERP system project	–	12,287
Capital gain/loss on sale of non-current assets	1,385	-2,611
Capital gain/loss on sale of subsidiaries/operations	90	2 612
Other non-cash items	-821	-2,291
	29,093	32,409

	01/10/2019 -30/09/2020	01/10/2018 -30/09/2019
Parent company		
Capital gain/loss on sale of subsidiaries/operations	513	-1,022
Impairment of shares in subsidiaries	200	–
Anticipated dividend from subsidiaries	-126,862	-188,078
	-126,149	-189,100

Acquisition of subsidiaries/operations, net liquidity effect	**30/09/2020**	**30/09/2019**
Group		
Acquired assets and liabilities, and equity		
Intangible assets	0	13,106
Property, plant and equipment	661	40
Accrued income, not invoiced	4,319	–
Operating receivables	22,010	2,271
Cash and cash equivalents	-422	433
Total assets	26,568	15,850
Operating liabilities	23,993	2,558
Total provisions and liabilities	23,993	2,558
Purchase consideration	2,575	13,291
Contingent consideration paid	1,961	500
Less: Preliminary consideration not paid	-960	–
Less: Contingent consideration not paid	–	-3,922
Purchase consideration paid	3,576	9,869
Less: Cash and cash equivalents in acquired operation	422	-433
Effect on cash and cash equivalents	3,998	9,436

Operating liabilities include negative goodwill of SEK 308 thousand.

In connection with the acquisition, lending was provided to the subsequently acquired group company.

	30/09/2020	30/09/2019
Parent company		
Financial assets	–	13,291
Total assets	–	13,291
Purchase consideration	–	13,291
Contingent consideration paid	1,961	–
Less: Contingent consideration not paid	–	-3,922
Purchase consideration paid	1,961	9,369
Effect on cash and cash equivalents	1,961	9,369

Disposal of subsidiaries/operations, net liquidity effect	**30/09/2020**	**30/09/2019**
Group		
Divested assets and liabilities		
Operating receivables	–	764
Cash and cash equivalents	644	3,393
Total assets	644	4,157
Operating liabilities	–	4
Total non-controlling interests, liabilities and provisions	–	4
Net selling price	554	4,410
Contingent consideration received	300	–
Less: Cash and cash equivalents in sold operation	-644	-3,393
Purchase consideration received	210	1,017
Less: Contingent consideration not received	–	-300
	210	717

	30/09/2020	30/09/2019
Parent company		
Divested assets and liabilities		
Financial assets	1,068	2,388
Total assets	1,068	2,388
Selling price/liquidation	554	3,410
Purchase consideration received	554	3,410
Effect on cash and cash equivalents	554	3,410

Note 31 Group information

Intra-group purchases and sales

Of the total revenue in the parent company, 100% has been invoiced to other companies within the Bohlinsgruppen group. There have been no intra-group purchases.

Note 32 Significant events after the end of the financial year

On 1 October 2020, KPMG AB acquired KPMG Baltics UAB, reg.no. 111494971.

Note 33 Definitions of key figures

Operating margin:	Operating profit divided by net sales
Total assets:	Total assets in the balance sheet
Equity/assets ratio:	Total equity and deferred tax divided by total assets
Net sales per employee:	Net sales divided by average number of employees
Staff cost per employee:	Staff costs divided by average number of employees

Stockholm, 13 November 2020

Patrik Anderbro
CEO

Helena Arvidsson Älgne
Board member

Anders Bäckström
Board member

Mattias Eriksson
Board member

Susann Lundström
Board member

Nigel Rouse
Board member

Fredrik Waern
Board member

Björn Hallin
Chairman

Our Audit Report was submitted on 16 November 2020
Mazars AB

Michael Olsson
Authorised Public Accountant

Audit Report

To the General Meeting of Bohlinsgruppen AB, reg. no. 556360-5301

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts for Bohlinsgruppen AB for the financial year 1 October 2019 – 30 September 2020. The company's annual accounts and consolidated accounts are included in this document on pages 20-55.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and group at 30 September 2020 and their financial performance and cash flow for the year then ended.

We therefore recommend that the general meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Basis for opinions

We conducted the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Information other than the annual accounts

The Board of Directors and the Managing Director are responsible for this other information. The other information comprises pages 2-19 of the published annual report. Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance or conclusion regarding this other information. In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure, we also take into account our knowledge otherwise obtained in the audit and assess whether the information appears to be materially misstated. If, based on the work performed concerning this information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Board of Directors and Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and for ensuring that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to the going concern and use of the going concern basis of accounting.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, 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 opinions. 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 company's internal control relevant to our 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 internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- draw a conclusion on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group'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 annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform them of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other statutory requirements and other provisions

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Bohlinsgruppen AB for the financial year 1 October 2019 – 30 September 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the Board of Directors' report and that the members of the Board and the CEO be discharged from liability for the financial year.

Basis for opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities in this are further described in the Auditor's Responsibility section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibility of the Board of Directors and Managing Director
The Board is responsible for the proposal concerning appropriations of the company's profit or loss. Proposing a dividend includes an assessment of whether the dividend is justifiable considering the requirements that the nature, scope and risks of the company's and the group's operations place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of its affairs. This includes, among other things, continuous assessment of the company's and the group's financial situation and ensuring that the company's organisation is designed so that accounting, management of assets and the company's financial affairs are otherwise controlled in an administrational manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions, and, among other matters, shall take measures that are necessary to fulfil the company's accounting in accordance with law and to conduct the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect has:

- undertaken any action or been guilty of any omission which could give rise to liability to the company; or
- in any other way acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgement, with the starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion concerning the Board's proposed appropriations of the company's profit or loss, we examined the Board's reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Auditors' opinion regarding the statutory Sustainability Report
The Board of Directors is responsible for the Sustainability Report on pages 16-19 and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act.

Our examination has been conducted in accordance with FAR's recommendation RevR 12 The auditor´s opinion on the statutory sustainability report. This means that our examination of the sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Stockholm, 16 November 2020

Mazars AB

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Authorised Public Accountant

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