

TÜV SÜD Danmark ApS

Tuborg Boulevard 12, 3.  
2900 Hellerup

CVR no. 35 02 99 23

## Annual report 2016

The annual report was presented and approved at  
the Company's annual general meeting on

22 March 2017

Lars H. Brockhoff  
chairman

## Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Operating review	7
Financial statements 1 January – 31 December	
Income statement	8
Balance sheet	9
Notes	11

## Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of TÜV SÜD Danmark ApS for the financial year 1 January – 31 December 2016.

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

It is my opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

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

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

Gentofte 22 March 2017  
Executive Board:

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Lars Henrik Brockhoff



## **Independent auditor's report**

### **To the shareholder of TÜV SÜD Danmark ApS**

#### **Opinion**

We have audited the financial statements of TÜV SÜD Danmark ApS for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016, and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

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

#### **Management's responsibility for the financial statements**

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

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



## Independent auditor's report

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings,



## Independent auditor's report

including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Copenhagen, 22 March 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'Joakim Juul Larsen', written over a circular stamp or seal.

Joakim Juul Larsen  
State Authorised  
Public Accountant

TÜV SÜD Danmark ApS  
Annual report 2016  
CVR no. 35 02 99 23

## Management's review

### Company details

TÜV SÜD Danmark ApS  
Tuborg Boulevard 12, 3.  
2900 Hellerup

CVR no.:	35 02 99 23
Established:	24 January 2013
Registered office:	Gentofte
Financial year:	1 January – 31 December

### Executive Board

Lars Henrik Brockhoff

### Auditors

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø

### Parent company

TÜV SÜD AG, München

## **Management's review**

### **Operating review**

#### **Main activities**

TÜV SÜD Danmark is the operating company of the Rail Division of the TÜV SÜD Group in Denmark.

2015 included an expansion of employees, facilitating us to meet the needs of the market for our services.

The main business activities in 2016 continue to be the ongoing activity in NoBo services in general and independent safety assessment of activities under the legal framework of Common Safety Methods (CSMRA) which are delivered in the Nordic Region.

#### **Development in the company's financial activities and affairs**

The income statement for the period 01.01.16 - 31.12.16 showed a profit of DKK 374k against DKK a loss of DKK 131k for the period 01.01.15 - 31.12.15. The balance sheet showed equity of DKK 6,121k.

#### **Important events occurring after the end of the financial year**

No events materially affecting the financial position of the company have occurred after the end of the financial year.



## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2016	2015
<b>Gross profit</b>		10.243.592	8.688.140
Staff costs	2	-8.996.614	-7.771.215
Depreciation, amortisation and impairment		-516.685	-516.650
<b>Operating profit</b>		730.293	400.275
Financial income		40.646	25.508
Financial expenses	3	-291.215	-257.467
<b>Profit before tax</b>		479.724	168.316
Tax on profit/loss for the year	4	-105.539	-37.030
<b>Profit for the year</b>		374.185	131.286
<b>Proposed profit appropriation</b>			
Retained earnings		374.185	131.286
		374.185	131.286

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2016	2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Goodwill		3.100.021	3.616.706
		<u>3.100.021</u>	<u>3.616.706</u>
<b>Investments</b>			
Deposits		116.186	116.186
		<u>116.186</u>	<u>116.186</u>
<b>Total fixed assets</b>		<u>3.216.207</u>	<u>3.732.892</u>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		1.911.941	1.830.723
Receivables from group entities		866.427	14.889
Work in progress	5	191.025	677.475
Deferred tax asset		425.608	531.147
Prepayments		181.330	161.574
		<u>3.576.331</u>	<u>3.215.808</u>
<b>Cash at bank and in hand</b>		<u>3.038.059</u>	<u>1.376.007</u>
<b>Total current assets</b>		<u>6.614.390</u>	<u>4.591.815</u>
<b>TOTAL ASSETS</b>		<u><u>9.830.597</u></u>	<u><u>8.324.707</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	6		
Share capital		126.000	126.000
Share premium		7.503.980	7.503.980
Retained earnings		-1.508.971	-1.883.156
<b>Total equity</b>		<u>6.121.009</u>	<u>5.746.824</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		561.945	270.886
Payables to group entities		615.787	537.704
Other payables		2.531.856	1.769.293
		<u>3.709.588</u>	<u>2.577.883</u>
<b>Total liabilities other than provisions</b>		<u>3.709.588</u>	<u>2.577.883</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>9.830.597</u></u>	<u><u>8.324.707</u></u>
Contractual obligations and contingencies, etc.	7		

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of TÜV SÜD Danmark ApS for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

#### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost applying a constant effective rate of interest over the term of the assets and liabilities. Amortised cost is determined as original cost less any principal repayments and less/plus accumulated amortisation of the difference between cost and nominal value.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the time at which the annual report is presented and proving or disproving matters arising on the balance sheet date.

#### Income statement

##### Gross profit

Gross profit comprises revenue and other external costs.

Income from delivery of services is recognised in step with delivery of the services, which means that revenue corresponds to the sales value of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Other external expenses comprise distribution, selling, advertising and administration costs as well as costs of premises, bad debts and operating leases.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

##### Amortisation

The amortisation of intangible assets aim at systematic amortisation over the expected useful lives of the assets.

Goodwill is amortised over a period of 10 years. The useful life has been determined in consideration of the expected future net earnings of the activity to which the goodwill relates.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in subsidiaries are recognised in the income statement in the financial year in which dividend is declared. To the extent that the distributed dividend exceeds accumulated earnings at the acquisition date, the dividend is recognised as write-down of the cost of the equity investment.

##### Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

##### Balance sheet

##### Intangible assets

Intangible assets are measured in the balance sheet at the lower of cost less accumulated amortisation and the recoverable amount.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Impairment of fixed assets

The carrying amount of intangible assets is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset, including forecast net cash flows from the disposal of the asset after the end of the useful life.

##### Receivables

Receivables are measured at amortised cost.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received.

##### Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual work. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual work.

When the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual contract work is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise total work in progress where the selling price of the work performed exceeds progress billings. Net liabilities comprise total work in progress where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

##### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

##### Equity

The proposed dividend for the financial year is recognised as a special item under equity.

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

##### Liabilities other than provisions

Financial liabilities are recognised at amortized cost.

Other liabilities are measured at net realisable value.

## Financial statements 1 January – 31 December

### Notes

#### 2 Staff costs

DKK	2016	2015
Wages and salaries	7.325.686	6.361.621
Pensions	954.118	747.017
Other social security costs	499.179	367.210
Other staff costs	217.631	295.367
<b>Total</b>	<b>8.996.614</b>	<b>7.771.215</b>
Average number of full-time employees	11	9

#### 3 Financial expenses

Financial expenses for group enterprises	5.389	16.184
Interest expenses	10.285	5.610
Foreign exchange losses	275.541	235.673
<b>Total</b>	<b>291.215</b>	<b>257.467</b>

#### 4 Tax on profit/loss for the year

Change in deferred tax	105.539	37.030
<b>Total</b>	<b>105.539</b>	<b>37.030</b>



## Financial statements 1 January – 31 December

### Notes

#### 5 Contract work in progress

DKK	2016	2015
Contract work in progress	191.025	677.475
Contract work in progress, net	191.025	677.475

#### 6 Equity

DKK	Share capital	Share premium	Retained earnings	Total
<b>Equity at 1 January 2015</b>	126.000	7.503.980	-2.014.442	5.615.538
Proposed distribution of net profit	0	0	131.286	131.286
<b>Equity at 31 December 2015</b>	126.000	7.503.980	-1.883.156	5.746.824
Proposed distribution of net profit	0	0	374.185	374.185
<b>Equity at 31 December 2016</b>	126.000	7.503.980	-1.508.971	6.121.009

#### 7 Contractual obligations, contingencies, etc.

##### Contingent liabilities

Remaining operating lease obligations at the balance sheet date fall due at DKK 674 thousand within 1 year (2015: DKK 1,472 thousand).