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Ricardo Certification Denmark ApS

Høffdingsvej 34, 2500 Valby

Company reg. no. 36 89 38 85

Annual report

2022/23

The annual report was submitted and approved by the general meeting on the 18 December 2023.

Michael Bell
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Executive Board has approved the annual report of Ricardo Certification Denmark ApS for the financial year 2022/23.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 – 30 June 2023.

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

We recommend that the annual report be approved at the Annual General Meeting.

Valby, 18 December 2023

Executive board

Bjarne Maschoreck	Michael Bell	Mark Dodsworth

Independent auditor's report

To the Shareholder of Ricardo Certification Denmark ApS

Opinion

We have audited the financial statements of Ricardo Certification Denmark ApS for the financial year 1 July 2022 - 30 June 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2023, and of the results of the Company's operations for the financial year 1 July 2022 - 30 June 2023 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities 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 as 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of 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, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

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

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Copenhagen, 18 December 2023

Grant Thornton
Certified Public Accountants
Company reg. no. 34 20 99 36

Michael Beuchert
State Authorised Public Accountant
mne32794

Company information

The company	Ricardo Certification Denmark ApS Høffdingsvej 34 2500 Valby
	Company reg. no. 36 89 38 85 Financial year: 1 July - 30 June
Executive board	Bjarne Maschoreck Michael Bell Mark Dodsworth
Auditors	Grant Thornton, Godkendt Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
Bankers	Nordea Lloyds Bank
Parent company	Ricardo EMEA Limited

Management´s review

The principal activities of the company

The Company provides accredited independent assurance services including Notified and Designated Body, Assessment Body and Independent Safety Assessment to clients from a global network of offices. The Companys origins lie in the rail sector, where they have performed independent assessment roles.

Development in activities and financial matters

The gross profit for the year totals DKK 6.639.567 against DKK 8.259.456 last year. Income or loss from ordinary activities after tax totals DKK 779.717 against DKK 1.293.525 last year. Management considers the net profit or loss for the year satisfactory.

Income statement 1 July - 30 June

All amounts in DKK.

Note		2022/23	2021/22
	Gross profit	**6.639.567**	**8.259.456**
1	Staff costs	-5.562.431	-6.321.186
	Depreciation and writedown relating to fixed assets	-13.573	-68.065
	Operating profit	**1.063.563**	**1.870.205**
	Other financial income	88.506	34.082
	Other financial expenses	-180.035	-219.140
	Pre-tax net profit or loss	**972.034**	**1.685.147**
2	Tax on net profit or loss for the year	-192.317	-391.622
	Net profit or loss for the year	**779.717**	**1.293.525**
	Proposed distribution of net profit:		
	Dividend for the financial year	0	3.500.000
	Transferred to retained earnings	779.717	0
	Allocated from retained earnings	0	-2.206.475
	Total allocations and transfers	**779.717**	**1.293.525**

Balance sheet at 30 June

All amounts in DKK.

Note	Assets	2023	2022
	Non-current assets		
3	Other fixtures and fittings, tools and equipment	6.787	20.360
	Total property, plant, and equipment	6.787	20.360
4	Deposits	72.623	69.000
	Total investments	72.623	69.000
	Total non-current assets	**79.410**	**89.360**
	Current assets		
	Trade receivables	620.692	854.327
	Contract work in progress	1.685.820	1.993.262
	Receivables from subsidiaries	9.553	66.425
	Prepayments	117.383	4.215
	Total receivables	2.433.448	2.918.229
	Cash and cash equivalents	5.654.093	8.180.978
	Total current assets	**8.087.541**	**11.099.207**
	Total assets	**8.166.951**	**11.188.567**

Balance sheet at 30 June

All amounts in DKK.

Note	Equity and liabilities	2023	2022
	Equity		
	Contributed capital	50.000	50.000
	Results brought forward	3.522.000	2.742.283
	Proposed dividend for the financial year	0	3.500.000
	Total equity	**3.572.000**	**6.292.283**
	Liabilities other than provisions		
	Bank debts	6.633	31
	Trade payables	465.523	572.874
	Payables to subsidiaries	645.751	596.897
	Income tax payable	130.939	375.163
	Other payables	3.325.765	3.340.140
	Deferred income	20.340	11.179
	Total short term liabilities other than provisions	4.594.951	4.896.284
	Total liabilities other than provisions	**4.594.951**	**4.896.284**
	Total equity and liabilities	**8.166.951**	**11.188.567**

5 Contingencies

6 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 July 2021	50.000	2.742.283	3.500.000	6.292.283
Distributed dividend	0	0	-3.500.000	-3.500.000
Profit or loss for the year brought forward	0	779.717	0	779.717
	50.000	**3.522.000**	**0**	**3.572.000**

Notes

All amounts in DKK.

		2022/23	2021/22
1.	**Staff costs**		
	Salaries and wages	5.092.427	5.858.497
	Pension costs	442.940	417.503
	Other staff costs	27.064	45.186
		5.562.431	**6.321.186**
	Average number of employees	6	6
2.	**Tax on net profit or loss for the year**		
	Tax of the results for the year, parent company	193.776	391.622
	Adjustment of tax for previous years	-1.459	0
		192.317	**391.622**
3.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 July 2022	435.464	435.464
	Disposals during the year	-287.473	0
	Cost 30 June 2023	**147.991**	**435.464**
	Depreciation and writedown 1 July 2022	-415.104	-347.039
	Depreciation for the year	-13.573	-68.065
	Depreciation, amortisation and writedown for the year, assets disposed of	287.473	0
	Depreciation and writedown 30 June 2023	**-141.204**	**-415.104**
	Carrying amount, 30 June 2023	**6.787**	**20.360**
4.	**Deposits**		
	Cost 1 July 2022	69.000	69.000
	Additions during the year	3.623	0
	Cost 30 June 2023	**72.623**	**69.000**
	Carrying amount, 30 June 2023	**72.623**	**69.000**

Notes

All amounts in DKK.

5. Contingencies

Selskabet har en huslejeforpligtelse på kr. 69.000, svarende til et opsigelsesvarsel på 3 måneder.
The company have a rent contingencie on DKK 69.000, corresponding to a notice period of three months.

6. Related parties

Consolidated financial statements

Accounting policies

The annual report for Ricardo Certification Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Accounting policies

Financial income and expenses

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

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

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

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

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

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

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

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

Accounting policies

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Deposits

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

Receivables

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

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

Accounting policies

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

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

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 on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

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

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

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

Prepayments

Prepaymentsrecognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Accounting policies

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

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

Deferred income

Payments received concerning future income are recognised under deferred income.