

Air Alsie A/S

Lufthavnsvej 3, Ulkebøl, 6400 Sønderborg

CVR no. 12 65 59 83



Annual report 2016/17

Approved at the annual general meeting of shareholders on 19 September 2017

Chairman:



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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Air Alsie A/S for the financial year 1 May 2016 - 30 April 2017.

The annual report is prepared in accordance with 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 April 2017 and of the results of the Company's operations for the financial year 1 May 2016 - 30 April 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Sønderborg, 19 September 2017
Executive Board:



Henrik Therkelsen

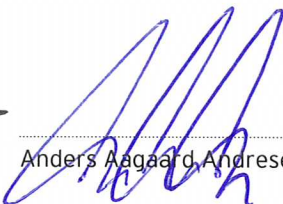


Henning Tæstensen

Board of Directors:



Jens Østerlund Jensen
Chairman



Anders Aggaard Andersen



Niels-Henrik Hedegaard

Independent auditor's report

To the shareholders of Air Alsie A/S

Opinion

We have audited the financial statements of Air Alsie A/S for the financial year 1 May 2016 - 30 April 2017, which comprise an income statement, balance sheet, statement of changes in equity 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 financial position of the Company at 30 April 2017 and of the results of the Company's operations for the financial year 1 May 2016 - 30 April 2017 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 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 the 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 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.

Independent auditor's report

- ▶ 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 conclusion is 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 note 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 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 our procedures, 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.

Sønderborg, 19 September 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Thorbjørn Bruhn
State Authorised Public Accountant



René Kirkegaard
State Authorised Public Accountant

Management's review

Company details

Name	Air Alsie A/S
Address, Postal code, City	Lufthavnsvej 3, Ulkebøl, 6400 Sønderborg
CVR no.	12 65 59 83
Established	1 December 1988
Registered office	Sønderborg
Financial year	1 May 2016 - 30 April 2017
Website	www.alsie.com
Telephone	+45 74 42 98 88
Telefax	+45 74 43 42 82
Board of Directors	Jens Østerlund Jensen, Chairman Anders Aagaard Andresen Niels-Henrik Hedegaard
Executive Board	Henrik Therkelsen Henning Tæstensen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Nørre Havnegade 43, 6400 Sønderborg, Denmark
Bankers	Sydbank A/S

Management's review

Financial highlights

DKK'000	2016/17	2015/16	2014/15	2013/14	2012/13
Key figures					
Revenue	410,338	413,181	377,448	389,202	332,546
Gross margin	84,254	81,177	76,716	76,385	71,136
Operating profit/loss	7,913	6,991	2,524	2,043	3,607
Net financials	-1,646	-2,038	-2,505	1,919	1,252
Profit/loss for the year	4,952	5,054	242	3,587	4,014
Balance sheet					
Total assets	115,174	97,085	120,271	113,344	112,302
Investment in property, plant and equipment	1,496	432	1,861	983	1,227
Equity	30,884	34,444	29,679	31,690	27,177
Financial ratios					
Operating margin	1.9%	1.7%	0.7%	0.5 %	1.1 %
Return on assets	7.5%	6.4%	2.2%	1.8%	3.2%
Solvency ratio	26.8%	35.5%	24.7%	28.0%	24.2%
Return on equity	15.2%	15.8%	0.8%	12.2%	14.8%
Average number of employees	141	138	142	142	112

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management's review

Management commentary

Business review

The company's main activity consists of Aircraft Management, including scheduled taxi and ambulance flights as well as aircraft maintenance at its own certified workshop

Financial review

In 2016/17, the Company's revenue amounted to DKK 410,338 thousand against DKK 413,181 thousand last year. The income statement for 2016/17 shows a profit of DKK 4,952 thousand against DKK 5,054 thousand last year, and the balance sheet at 30 April 2017 shows equity of DKK 30,884 thousand. In the annual report for 2015/16, Management expected a profit in the range of the same level as the year end result for 2015/16. Management considers the Company's financial performance in the year satisfactory.

Knowledge resources

Major flight safety requirements are imposed. The company complies with all guidelines for training and training of airline personnel

Special risks

The company's most significant operational risks are linked to the ability to offer competitive air operations. The company is exposed to interest rate and currency risks. The company hedges its interest rate and currency risks through revenues and expenses in the same currency and agreements with financial partners

Impact on the external environment

The industry in which the company is located affects the external environment. The company is very aware of this and has as its policy to reduce this strain to the greatest extent possible and thus also to be a leader in the industry.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

Management expects that demand for taxi and ambulance flights will continue at the current level in the coming financial year

For the financial year 2017/18 a satisfactory result is expected to be on the same level as in 2016/17.

Financial statements for the period 1 May 2016 - 30 April 2017

Income statement

Note	DKK'000	2016/17	2015/16
	Revenue	410,338	413,181
	Other operating income	281	552
	Other external expenses	-326,365	-332,556
	Gross margin	84,254	81,177
2	Staff costs	-74,956	-72,807
3	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,385	-1,379
	Profit before net financials	7,913	6,991
	Income from investments in group entities	82	1,215
4	Financial income	684	1,031
	Financial expenses	-2,330	-3,069
	Profit before tax	6,349	6,168
5	Tax for the year	-1,397	-1,114
	Profit for the year	4,952	5,054

Financial statements for the period 1 May 2016 - 30 April 2017

Balance sheet

Note	DKK'000	2016/17	2015/16
	ASSETS		
	Fixed assets		
6	Intangible assets		
	Acquired intangible assets	71	454
		<u>71</u>	<u>454</u>
7	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	2,367	1,855
		<u>2,367</u>	<u>1,855</u>
8	Investments		
	Investments in group entities, net asset value	6,641	6,473
	Other securities and investments	65	41
	Other receivables	0	10,014
		<u>6,706</u>	<u>16,528</u>
	Total fixed assets	<u>9,144</u>	<u>18,837</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	3,052	2,102
		<u>3,052</u>	<u>2,102</u>
	Receivables		
	Trade receivables	62,079	41,890
	Receivables from group entities	6,047	16,727
	Other receivables	18,045	4,884
9	Deferred income	8,974	2,884
		<u>95,145</u>	<u>66,385</u>
	Cash	<u>7,833</u>	<u>9,761</u>
	Total non-fixed assets	<u>106,030</u>	<u>78,248</u>
	TOTAL ASSETS	<u><u>115,174</u></u>	<u><u>97,085</u></u>

Financial statements for the period 1 May 2016 - 30 April 2017

Balance sheet

Note	DKK'000	2016/17	2015/16
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	510	510
	Share premium account	96	96
	Net revaluation reserve according to the equity method	6,160	5,992
	Retained earnings	24,118	18,846
	Dividend proposed for the year	0	9,000
	Total equity	<u>30,884</u>	<u>34,444</u>
	Provisions		
10	Deferred tax	574	1,110
	Other provisions	10,104	5,582
11	Total provisions	<u>10,678</u>	<u>6,692</u>
	Liabilities		
	Non-current liabilities other than provisions		
	Bank debt	0	986
		<u>0</u>	<u>986</u>
	Current liabilities		
	Current portion of long-term liabilities	0	5,963
	Bank debt	9,636	4,985
	Prepayments received from customers	9,402	2,222
	Trade payables	25,685	18,643
	Payables to group entities	3,645	2,850
	Other payables	25,244	20,300
		<u>73,612</u>	<u>54,963</u>
	Total liabilities other than provisions	<u>73,612</u>	<u>55,949</u>
	TOTAL EQUITY AND LIABILITIES	<u>115,174</u>	<u>97,085</u>

- 1 Accounting policies
- 12 Contractual obligations and contingencies, etc.
- 13 Collateral
- 14 Related parties

Financial statements for the period 1 May 2016 - 30 April 2017

Statement of changes in equity

DKK'000	Share capital	Share premium account	Net revaluation reserve according to the equity method	Retained earnings	Dividend proposed for the year	Total
Equity at 1 May 2016	510	96	5,992	18,846	9,000	34,444
15 Transfer, see "Appropriation of profit"	0	0	82	4,870	0	4,952
Exchange adjustment	0	0	86	0	0	86
Other value adjustments of equity	0	0	0	402	0	402
Dividend distributed	0	0	0	0	-9,000	-9,000
Equity at 30 April 2017	510	96	6,160	24,118	0	30,884

Financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

1 Accounting policies

The annual report of Air Alsie A/S for 2016/17 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements for Air Alsie A/S and its group entities are part of the consolidated financial statements for Sandma Holding A/S.

Changes to presentation and disclosures only

Effective 1 May 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

Leases

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

Income from the sale of services, which includes the sale of flights, is recognised in the income statement as the supply of the services to the buyer takes place.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

Other external expenses

External expenses include direct cost and other external expenses.

Direct costs include expenses directly related to the entity's activities, including fuel, travelling expenses, training of pilots, various duties, etc.

Other external expenses include expenses for sale, advertising, administration, premises, bad debts, operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

Cost net of expected residual value for acquired intellectual property rights is depreciated on a straight-line basis over the expected useful life. Intellectual property rights acquired comprise software.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	3-6 years
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Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	3-5 years
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Income from investments in subsidiaries

The item includes the Company's proportionate share of the profit/loss for the year in subsidiaries after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

Financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, costs of finance leases, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other subsidiaries. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Other intangible assets comprise software.

Software is measured at cost less accumulated amortisation and impairment losses.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

1 Accounting policies (continued)

Investments in subsidiaries

On initial recognition, investments in subsidiaries are measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies minus or plus any residual value of positive or negative goodwill calculated in accordance with the purchase method of accounting. Subsidiaries with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such entities are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the entity's deficit. Net revaluations of investments in subsidiaries are transferred to the net revaluation reserve according to the equity method where the carrying amount exceeds the acquisition cost.

Newly acquired or formed entities are recognised in the financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised up to the date of disposal.

Corporate acquisitions are accounted for using the purchase method according to which the acquired entity's identifiable assets and liabilities are measured at fair value at the date of acquisition. In connection with the acquisition, a provision is made for expenses related to adopted plans to restructure the acquired entity. The tax effect of revaluations made is taken into account.

Other securities and investments

Receivables recognised as investments that relate to finance leases are measured at fair value. Fair value is calculated as the value in use of projected future net cash flows relating to the finance lease. The discount rate applied is 4%. The lease is expected to be terminated on 31 December 2017 at the latest.

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

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost, which is usually equivalent to the nominal value. An impairment loss is recognised based on objective evidence that a receivable or a group of receivables is impaired. Impairment write-down is made to the lower of net realisable value and the carrying amount.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Reserve for net revaluation according to the equity method

The reserve comprises net revaluation of investments in subsidiaries relative to cost.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions include deferred tax and provisions for periodic inspections of aircraft chartered.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Provisions expected to be settled after more than one year after the balance sheet date are measured at the net present value of the expected payments. Other provisions are measured at net realisable value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

Financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

DKK'000	2016/17	2015/16
2 Staff costs		
Wages/salaries	63,665	62,464
Pensions	10,156	9,248
Other social security costs	1,133	1,095
Other staff costs	2	0
	<u>74,956</u>	<u>72,807</u>
Average number of full-time employees	<u>141</u>	<u>138</u>
Executive board remuneration totals DKK 2,123 thousand. (2015/16: DKK 2,157 thousand), whereas remuneration of the Board of Directors totals DKK 70 thousand (2015/16: DKK 70 thousand) in the 2016/17 financial year.		
3 Amortisation/depreciation of intangible assets and property, plant and equipment		
Amortisation of intangible assets	401	465
Depreciation of property, plant and equipment	984	914
	<u>1,385</u>	<u>1,379</u>
4 Financial income		
Interest receivable, group entities	408	774
Other financial income	276	257
	<u>684</u>	<u>1,031</u>
5 Tax for the year		
Estimated tax charge for the year	2,047	4,204
Deferred tax adjustments in the year	-650	-3,090
	<u>1,397</u>	<u>1,114</u>
6 Intangible assets		
DKK'000		Acquired intangible assets
Cost at 1 May 2016		5,035
Additions in the year		18
Disposals in the year		-231
Cost at 30 April 2017		<u>4,822</u>
Impairment losses and amortisation at 1 May 2016		4,581
Amortisation/depreciation in the year		401
Reversal of amortisation/depreciation and impairment of disposals		-231
Impairment losses and amortisation at 30 April 2017		<u>4,751</u>
Carrying amount at 30 April 2017		<u>71</u>
Amortised over		<u>3-6 years</u>

Financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

7 Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment
Cost at 1 May 2016	11,406
Additions in the year	1,496
Disposals in the year	-2,951
Cost at 30 April 2017	9,951
Impairment losses and depreciation at 1 May 2016	9,551
Amortisation/depreciation in the year	984
Reversal of amortisation/depreciation and impairment of disposals	-2,951
Impairment losses and depreciation at 30 April 2017	7,584
Carrying amount at 30 April 2017	2,367
Amortised over	3-5 years

8 Investments

DKK'000	Investments in group entities, net asset value	Other securities and investments	Other receivables	Total
Cost at 1 May 2016	481	193	19,212	19,886
Disposals in the year	0	0	-663	-663
Transfer from other accounts	0	0	-18,549	-18,549
Cost at 30 April 2017	481	193	0	674
Value adjustments at 1 May 2016	5,992	-152	-9,198	-3,358
Exchange adjustment	86	24	0	110
Share of the profit/loss for the year	82	0	0	82
Impairment losses	0	0	-3,407	-3,407
Transferred	0	0	12,605	12,605
Value adjustments at 30 April 2017	6,160	-128	0	6,032
Carrying amount at 30 April 2017	6,641	65	0	6,706

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries					
Air Alsie SA	SA	Schweiz	100.00 %	6,641	82
Other investments in limited partnerships or partnerships					
AirClub SA				SA	Schweiz
Cityfly AB				AB	Sverige

Financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

9 Prepayments

Prepayments comprise accrual of expenses relating to subsequent years, including membership fees, subscriptions, insurance, etc.

10 Deferred tax

Analyses of the deferred tax

DKK'000	2016/17	2015/16
Deferred tax liabilities	574	1,110
	574	1,110

11 Provisions

Other provisions include provisions for the aircraft maintenance totalling DKK 10,104 thousand. (2015/16: DKK 5,582 thousand)

12 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company stands surety for the sister company, Sandma Invest ApS' balance with its bank. The surety is limited to DKK 20,000 thousand.

A rent contract has been concluded regarding premises and hangar with a term of six months. The yearly rent totals DKK 3,600 thousand.

A rent contract has been concluded regarding other premises with a term of one month. The yearly rent totals DKK 60 thousand.

Other contingent liabilities

The Company has provided import documentary credit liabilities totalling USD 125,000 to a bank.

The Company is jointly taxed with its parent, Sandma Holding A/S, which acts as management company, and together with other jointly taxed group companies, the Company has joint and several liability for the payment of income taxes as of the income year 2013 and withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

13 Collateral

A letter of indemnity secured upon leased out aircraft of a nominal value of DKK 50,000 thousand has been provided as collateral for balance with a bank.

Financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

14 Related parties

Air Alsie A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Sandma Holding A/S	Lufthavnsvej 3, Ulkebøl, 6400 Sønderborg	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Sandma Holding A/S	Lufthavnsvej 3, Ulkebøl, 6400 Sønderborg	Parent company and the Danish Business Authority

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
Sandma Holding A/S	Lufthavnsvej 3, Ulkebøl, 6400 Sønderborg

DKK'000	2016/17	2015/16
15 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	0	9,000
Net revaluation reserve according to the equity method	82	1,215
Retained earnings/accumulated loss	4,870	-5,161
	<u>4,952</u>	<u>5,054</u>