

Aclass A/S
Hasselager Centervej 27, 1
8260 Viby J
Central Business Registration
No 28690924

Annual report 2016

The Annual General Meeting adopted the annual report on 23.05.2017

Chairman of the General Meeting



Name: Kurt Kvorning

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Entity details

Entity

Aclass A/S
Hasselager Centervej 27, 1
8260 Viby J

Central Business Registration No: 28690924
Registered in: Viby J
Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Kurt Kvorning, chairman
Martin Jørgensen, vice chairman
René Andersen
Henrik Normann Karlsen
Jacob Lachmann

Executive Board

Claus Palmgren Jessen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Aclass A/S for the financial year 01.01.2016 - 31.12.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations and cash flows for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

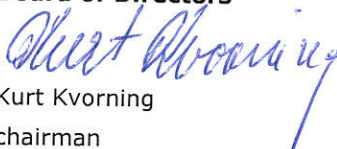
We recommend the annual report for adoption at the Annual General Meeting.

Viby J, den 23.05.2017

Executive Board


Claus Palmgren Jessen

Board of Directors


Kurt Kvorning
chairman


Martin Jørgensen
vice chairman


René Andersen

Henrik Normann Karlsen



Jacob Lachmann



Independent auditor's report

To the shareholders of Aclass A/S

Opinion

We have audited the consolidated financial statements and parent financial statements of Aclass A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement.. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and parent financial statements of Aclass A/S for the financial year 01.01.2016 - 31.12.2016 give a true and fair view of the Group's and the Parent's financial position at 31.12.2016, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2016 - 31.12.2016 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 consolidated financial statements and parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of 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 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 consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent 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

Independent auditor's report

expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent 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 consolidated financial statements and parent 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 Group's and the Entity'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 consolidated financial statements and parent 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 Group's and the Entity'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 consolidated financial statements and parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and parent financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 the management commentary

Management is responsible for the management commentary.

Independent auditor's report

Our opinion on the consolidated financial statements and parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 23.05.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556


Bjørn Winkler Jakobsen
State Authorised Public Accountant

Management commentary

	2016 DKK'000	2015 DKK'000	2014 DKK'000	2013 DKK'000	2012 DKK'000
Financial highlights					
Key figures					
Gross profit	35.562	26.126	26.022	17.203	12.698
Operating profit/loss	15.996	11.479	13.854	9.635	7.639
Net financials	(1.160)	(439)	(35)	(78)	68
Profit/loss for the year	11.562	8.438	10.421	7.174	5.795
Total assets	108.632	89.214	69.649	60.727	38.756
Investments in property, plant and equipment	430	77	404	518	0
Equity	19.416	18.158	18.184	8.064	7.451
Cash flows from (used in) operating activities	20.853	19.310	16.897	8.660	12.142
Cash flows from (used in) investing activities	(2.030)	(1.420)	(963)	(5.638)	(735)
Cash flows from (used in) financing activities	(10.500)	(6.000)	(3.468)	(5.138)	(6.792)

Ratios

Return on equity (%)	61,5	46,5	79,4	92,5	77,8
Equity ratio (%)	17,9	20,4	26,1	13,3	19,2

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios

Return on equity (%)

Calculation formula

$$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$$

Ratios

The entity's return on capital invested in the entity by the owners.

Equity ratio (%)

$$\frac{\text{Equity} \times 100}{\text{Total assets}}$$

The financial strength of the entity.

Management commentary

Primary activities

In line with previous years, the principal activities of the company were to arrange travels etc.

Development in activities and finances

The company's income statement for 2016 showed a profit before tax of DKK 14,836,403 (2015: DKK 11,039,620) and the balance sheet at 31st december 2016 showed equity of 19,415,579. Management considers the profit satisfactory.

Outlook

The company expects to enjoy a positive development in 2017.

Statutory report on corporate governance

The company has the Danish private equity fund Capidea as principal shareholder.

Consequently, the group is subject to DVCA's (Danish Venture and Private Equity Association) general guidelines on reporting requirements and Corporate Governance.

Capidea is represented by Partner Martin Jørgensen and Director Henrik Normann Karlsen on the Company's Board of Directors. The rest of the Company's board members are elected by the annual general meeting.

The Board of Directors meets at least four times a year and otherwise as required. At present, there are no specific board committees.

The Company's share capital is not divided into share classes, and there are no special provisions in the Company's articles of association on powers to make distributions etc.

The Company has not formulated any specific policies on corporate social responsibility.

During the financial year the Group employed 31 people.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Gross profit		35.561.928	26.125.582
Staff costs	1	(18.469.003)	(13.889.966)
Depreciation, amortisation and impairment losses		(1.096.833)	(756.737)
Operating profit/loss		15.996.092	11.478.879
Other financial income		119.415	68.571
Other financial expenses		(1.279.104)	(507.830)
Profit/loss before tax		14.836.403	11.039.620
Tax on profit/loss for the year	2	(3.274.168)	(2.601.292)
Profit/loss for the year	3	11.562.235	8.438.328

Consolidated balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Acquired rights		3.793.308	2.828.457
Intangible assets	4	3.793.308	2.828.457
Other fixtures and fittings, tools and equipment		692.105	521.506
Leasehold improvements		112.025	86.122
Property, plant and equipment	5	804.130	607.628
Other receivables		240.519	222.579
Fixed asset investments	6	240.519	222.579
Fixed assets		4.837.957	3.658.664
Trade receivables		0	62.097
Receivables from group enterprises		3.892.965	2.600.658
Other receivables	7	44.813.481	35.912.631
Prepayments	8	385.286	371.511
Receivables		49.091.732	38.946.897
Other investments		1.404.351	1.632.993
Other investments		1.404.351	1.632.993
Cash		53.298.317	44.975.048
Current assets		103.794.400	85.554.938
Assets		108.632.357	89.213.602

Consolidated balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		500.000	500.000
Retained earnings		18.915.579	17.658.433
Equity		19.415.579	18.158.433
Deferred tax		29.000	44.000
Provisions		29.000	44.000
Deposits		0	49.200
Non-current liabilities other than provisions		0	49.200
Prepayments received from customers		78.331.826	59.587.760
Trade payables		4.380.052	7.100.149
Income tax payable		3.328.036	1.975.835
Other payables		3.147.864	2.298.225
Current liabilities other than provisions		89.187.778	70.961.969
Liabilities other than provisions		89.187.778	71.011.169
Equity and liabilities		108.632.357	89.213.602
Unrecognised rental and lease commitments	10		
Mortgages and securities	11		
Subsidiaries	12		

Consolidated statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Total DKK
Equity beginning of year	500.000	17.658.433	0	18.158.433
Extraordinary dividend paid	0	0	(10.500.000)	(10.500.000)
Exchange rate adjustments	0	(3.406)	0	(3.406)
Value adjustments	0	254.253	0	254.253
Tax of equity postings	0	(55.936)	0	(55.936)
Profit/loss for the year	0	1.062.235	10.500.000	11.562.235
Equity end of year	500.000	18.915.579	0	19.415.579

Consolidated cash flow statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Operating profit/loss		15.996.092	11.478.879
Amortisation, depreciation and impairment losses		1.096.833	756.737
Working capital changes	9	6.914.385	10.259.731
Cash flow from ordinary operating activities		24.007.310	22.495.347
Financial income received		119.415	68.571
Financial income paid		(1.279.104)	(507.830)
Income taxes refunded/(paid)		(1.994.736)	(2.745.721)
Cash flows from operating activities		20.852.885	19.310.367
Acquisition etc of intangible assets		(1.828.311)	(1.470.623)
Acquisition etc of property, plant and equipment		(429.947)	(77.492)
Other cash flows from investing activities		228.642	127.826
Cash flows from investing activities		(2.029.616)	(1.420.289)
Dividend paid		(10.500.000)	(6.000.000)
Cash flows from financing activities		(10.500.000)	(6.000.000)
Increase/decrease in cash and cash equivalents		8.323.269	11.890.078
Cash and cash equivalents beginning of year		44.975.048	33.084.970
Cash and cash equivalents end of year		53.298.317	44.975.048

Notes to consolidated financial statements

	2016 DKK	2015 DKK
1. Staff costs		
Wages and salaries	16.069.101	12.435.102
Pension costs	1.133.427	700.078
Other social security costs	461.933	371.813
Other staff costs	804.542	382.973
	18.469.003	13.889.966
Average number of employees	31	30

Referring to §98b of the Danish Financial Statement Act, disclosures on management's remuneration have been omitted.

	2016 DKK	2015 DKK
2. Tax on profit/loss for the year		
Tax on current year taxable income	3.289.168	2.613.792
Change in deferred tax for the year	(15.000)	(12.500)
	3.274.168	2.601.292

	2016 DKK	2015 DKK
3. Proposed distribution of profit/loss		
Extraordinary dividend distributed in the financial year	10.500.000	6.000.000
Retained earnings	1.062.235	2.438.328
	11.562.235	8.438.328

	Acquired rights DKK
4. Intangible assets	
Cost beginning of year	3.651.054
Additions	1.828.311
Cost end of year	5.479.365
Amortisation and impairment losses beginning of year	(822.597)
Amortisation for the year	(863.460)
Amortisation and impairment losses end of year	(1.686.057)
Carrying amount end of year	3.793.308

Notes to consolidated financial statements

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
5. Property, plant and equipment		
Cost beginning of year	846.156	152.848
Exchange rate adjustments	(118)	0
Additions	371.527	58.420
Cost end of year	1.217.565	211.268
Depreciation and impairment losses beginning of the year	(324.650)	(66.726)
Exchange rate adjustments	46	0
Depreciation for the year	(200.856)	(32.517)
Depreciation and impairment losses end of the year	(525.460)	(99.243)
Carrying amount end of year	692.105	112.025
6. Fixed asset investments		
Cost beginning of year		222.579
Additions		17.940
Cost end of year		240.519
Carrying amount end of year		240.519
7. Other receivables		
Derivative financial instruments	405.160	150.907
Other receivables	44.408.321	35.761.724
	44.813.481	35.912.631

Disclosure on forward exchange contracts acquired to hedge liabilities

Other receivables include a positive fair value of the forward exchange contracts of DKK 405k. The forward exchange contracts have been acquired to hedge the foreign currency risk of trade payables in USD, THB, SEK, GBP, NOK and ZAR. The exchange loss has been set off against the value adjustments of the hedged payables in the income statement. The forward exchange contracts have a term of 0-7 months. The forward exchange contracts have been entered into with the Company's usual bank.

Other receivables include cash at bank as security for Travel Guarantte and ABTA.

Notes to consolidated financial statements

8. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at costs.

	<u>2016 DKK</u>	<u>2015 DKK</u>
9. Change in working capital		
Increase/decrease in receivables	(9.910.023)	(10.237.938)
Increase/decrease in trade payables etc	16.824.408	20.497.669
	<u>6.914.385</u>	<u>10.259.731</u>

	<u>2016 DKK</u>	<u>2015 DKK</u>
10. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	<u>364.950</u>	<u>808.000</u>

11. Mortgages and securities

The following assets have been provided as security for Rejsegarantifonden (the Danish Travel Guarantee fund):

- Bonds with carrying amount of TDKK 1.404 (2015: TDKK 1.633)

The following assets have been provided as security for Rejsegarantifonden (the Danish Travel Guarantee fund) and ABTA (Association of British Travel Agents):

- Escrow amount TDKK 4.725 (2015: TDKK 4.001)

All debt to Danske Bank at 31.12.2016 has been secured on cash at hand and in bank totalling DKK 57k at 31.12.2016. The bank debt amounts to DKK 0 at 31.12.2016.

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>	<u>Equity DKK</u>	<u>Profit/loss DKK</u>
12. Subsidiaries					
ASClass GmbH	Henstedt-Ulzburg, Germany	GmbH	100,0	978.687	77.496

Parent income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Gross profit		33.864.069	24.727.679
Staff costs	1	(16.886.992)	(12.682.020)
Depreciation, amortisation and impairment losses		(1.089.005)	(748.677)
Operating profit/loss		15.888.072	11.296.982
Other financial income		119.618	67.424
Other financial expenses		(1.279.104)	(507.830)
Profit/loss before tax		14.728.586	10.856.576
Tax on profit/loss for the year	2	(3.243.848)	(2.551.946)
Profit/loss for the year	3	11.484.738	8.304.630

Parent balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Acquired rights		3.793.308	2.828.457
Intangible assets	4	3.793.308	2.828.457
Other fixtures and fittings, tools and equipment		648.004	502.351
Leasehold improvements		112.025	86.122
Property, plant and equipment	5	760.029	588.473
Investments in group enterprises		186.853	186.853
Other receivables		240.519	222.579
Fixed asset investments	6	427.372	409.432
Fixed assets		4.980.709	3.826.362
Trade receivables		0	62.097
Receivables from group enterprises		3.892.965	4.636.066
Other receivables	7	44.298.769	35.884.237
Prepayments	8	367.038	371.511
Receivables		48.558.772	40.953.911
Other investments		1.404.351	1.632.993
Other investments		1.404.351	1.632.993
Cash		44.428.930	30.868.304
Current assets		94.392.053	73.455.208
Assets		99.372.762	77.281.570

Parent balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		500.000	500.000
Retained earnings		18.123.744	16.940.689
Equity		18.623.744	17.440.689
Deferred tax	9	29.000	44.000
Provisions		29.000	44.000
Deposits		0	49.200
Non-current liabilities other than provisions		0	49.200
Prepayments received from customers	10	60.804.727	48.582.357
Trade payables		4.380.052	7.100.149
Payables to group enterprises		9.095.452	0
Income tax payable		3.314.784	1.806.845
Other payables		3.125.003	2.258.330
Current liabilities other than provisions		80.720.018	59.747.681
Liabilities other than provisions		80.720.018	59.796.881
Equity and liabilities		99.372.762	77.281.570
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Mortgages and securities	13		
Related parties with controlling interest	14		

Parent statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Total DKK
Equity beginning of year	500.000	16.940.689	0	17.440.689
Extraordinary dividend paid	0	0	(10.500.000)	(10.500.000)
Value adjustments	0	254.253	0	254.253
Tax of equity postings	0	(55.936)	0	(55.936)
Profit/loss for the year	0	984.738	10.500.000	11.484.738
Equity end of year	500.000	18.123.744	0	18.623.744

Notes to parent financial statements

	2016 DKK	2015 DKK
1. Staff costs		
Wages and salaries	14.744.666	11.422.017
Pension costs	1.133.427	700.078
Other social security costs	204.357	176.952
Other staff costs	804.542	382.973
	16.886.992	12.682.020
Average number of employees	28	27

Referring to §98b of the Danish Financial Statement Act, disclosures on management's remuneration have been omitted.

	2016 DKK	2015 DKK
2. Tax on profit/loss for the year		
Tax on current year taxable income	3.258.848	2.564.446
Change in deferred tax for the year	(15.000)	(12.500)
	3.243.848	2.551.946

	2016 DKK	2015 DKK
3. Proposed distribution of profit/loss		
Extraordinary dividend distributed in the financial year	10.500.000	6.000.000
Retained earnings	984.738	2.304.630
	11.484.738	8.304.630

	Acquired rights DKK
4. Intangible assets	
Cost beginning of year	3.651.054
Additions	1.828.311
Cost end of year	5.479.365
Amortisation and impairment losses beginning of year	(822.597)
Amortisation for the year	(863.460)
Amortisation and impairment losses end of year	(1.686.057)
Carrying amount end of year	3.793.308

Notes to parent financial statements

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
5. Property, plant and equipment		
Cost beginning of year	814.898	152.848
Additions	338.681	58.420
Cost end of year	1.153.579	211.268
Depreciation and impairment losses beginning of the year	(312.547)	(66.726)
Depreciation for the year	(193.028)	(32.517)
Depreciation and impairment losses end of the year	(505.575)	(99.243)
Carrying amount end of year	648.004	112.025
	Investments in group enterprises DKK	Other receivables DKK
6. Fixed asset investments		
Cost beginning of year	186.853	222.579
Additions	0	17.940
Cost end of year	186.853	240.519
Carrying amount end of year	186.853	240.519
	2016 DKK	2015 DKK
7. Other receivables		
Derivative financial instruments	405.160	150.907
Other receivables	43.893.609	35.733.330
	44.298.769	35.884.237

Disclosure on forward exchange contracts acquired to hedge liabilities

Other receivables include a positive fair value of the forward exchange contracts of DKK 405k. The forward exchange contracts have been acquired to hedge the foreign currency risk of trade payables in USD, THB, SEK, GBP, NOK and ZAR. The exchange loss has been set off against the value adjustments of the hedged payables in the income statement. The forward exchange contracts have a term of 0-7 months. The forward exchange contracts have been entered into with the Company's usual bank.

Notes to parent financial statements

Other Receivables include cash at bank as security for Travel Guarantee and ABTA.

8. Prepayments

Prepayments Comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

9. Deferred tax

The deferred tax asset has been adjusted from DKK 44k at the beginning of the year to DKK 29k at the end of 2016. The adjustment matches the adjustment booked through operations.

10. Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

	<u>2016</u> DKK	<u>2015</u> DKK
11. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	<u>339.505</u>	<u>783.000</u>

12. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Topcap A ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore alternatively liable for income taxes etc for the jointly taxed entities and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

13. Mortgages and securities

The following assets have been provided as security for Rejsegarantifonden (the Danish Travel Guarantee fund):

- Bonds with carrying amount of TDKK 1.404 (2015: TDKK 1.633)

The following assets have been provided as security for Rejsegarantifonden (the Danish Travel Guarantee fund) and ABTA (Association of British Travel Agents):

- Escrow amount TDKK 4.725 (2015: TDKK 4.001)

All debt to Danske Bank at 31.12.2016 has been secured on cash at hand and in bank totalling DKK 57k at 31.12.2016. The bank debt amounts to DKK 0 at 31.12.2016.

Notes to parent financial statements

The Company has provided security for all intercompany accounts between Jyske Bank and the subsidiary Aclass GmbH on cash at hand and in bank totalling DKK 564k at 31.12.2016. The bank debt in Aclass GmbH amounts to DKK 0 at 31.12.2016.

14. Related parties with controlling interest

Related parties with controlling interest in the Company includes:

- Caphold A ApS, Aarhus
- Topcap A ApS, Aarhus
- Capidea Kapital II K/S, Copenhagen

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C-midle enterprises.

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment

Accounting policies

date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the

Accounting policies

basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including net capital gains on securities, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including net capital losses on securities, payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with Topcap A ApS and all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise acquired rights.

Acquired rights are measured at cost less accumulated amortisation. Rights are amortised on a straight-line basis over the estimated useful life of 5 to 10 years.

Acquired rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5-10 years
Leasehold improvements	5 years

Accounting policies

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments

Securities recognised under current assets comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Accounting policies

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.