

Global Aviation Contractors A/S

A.P. Møllers Allé 9 C, 2791 Dragør
CVR no. 30 24 44 78

Annual report for 2018

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 09.04.19

Morten Bendesgaard Pedersen
Dirigent

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The company

Global Aviation Contractors A/S
A.P. Møllers Allé 9 C
2791 Dragør

Registered office: Dragør
CVR no.: 30 24 44 78
Financial year: 01.01 - 31.12

Executive Boards

Kaj Thomsen

Board Of Directors

Kaj Thomsen
Morten Bendesgaard Pedersen
Tage Thomsen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Subsidiarie

Flygac A/S, Billund

Statement of the Board of Directors and Executive Board on the annual report

We have on this day presented the annual report for the financial year 01.01.18 - 31.12.18 for Global Aviation Contractors A/S.

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

In our opinion, the financial statements give a true and fair view of the the company's assets, liabilities and financial position as at 31.12.18 and of the results of the the company's activities and cash flows for the financial year 01.01.18 - 31.12.18.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Dragør, April 9, 2019

Executive Boards

Kaj Thomsen

Board Of Directors

Kaj Thomsen

Morten Bendesgaard
Pedersen

Tage Thomsen

To the Shareholders of Global Aviation Contractors A/S**Opinion**

We have audited the financial statements of Global Aviation Contractors A/S for the financial year 01.01.18 - 31.12.18, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, inclusive of accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.18 and of the results of the company's operations and cash flows for the financial year 01.01.18 - 31.12.18 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 International Standards on Auditing 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.

As part of an audit conducted in accordance with International Standards on Auditing 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 regarding the 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.

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 Statements Acts. We did not identify any material misstatement of management's review.

Vejle, April 9, 2019

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Søren Kahr
State Authorized Public Accountant
MNE-no. mne8281

Boye Graversen
State Authorized Public Accountant
MNE-no. mne44109

Primary activities

The company's activities comprises to offer education and training services to the aviation industry.

Development in activities and financial affairs

The income statement for the period 01.01.18 - 31.12.18 shows a profit/loss of DKK 3,814,210 against DKK 3,488,347 for the period 01.01.17 - 31.12.17. The balance sheet shows equity of DKK 14,616,278.

The management considers the net profit for the year to be satisfactory.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2018 DKK	2017 DKK
	Gross profit	10,503,532	9,417,779
1	Staff costs	-6,455,904	-4,409,075
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	4,047,628	5,008,704
	Income from equity investments in group enterprises	648,937	-373,813
2	Financial income	65,000	39,000
	Financial expenses	-46,213	-92,866
	Profit/loss before tax	4,715,352	4,581,025
	Tax on profit or loss for the year	-901,142	-1,092,678
	Profit/loss for the year	3,814,210	3,488,347
	Proposed appropriation account		
	Reserve for net revaluation according to the equity method	275,124	0
	Retained earnings	3,539,086	3,488,347
	Total	3,814,210	3,488,347

ASSETS		31.12.18	31.12.17
		DKK	DKK
Note			
	Equity investments in group enterprises	775,124	126,187
	Total investments	775,124	126,187
	Total non-current assets	775,124	126,187
	Trade receivables	4,894,234	2,812,619
	Receivables from group enterprises	1,338,269	599,595
	Other receivables	2,091,250	2,061,250
	Prepayments	23,372	0
	Total receivables	8,347,125	5,473,464
	Cash	7,557,663	7,857,266
	Total current assets	15,904,788	13,330,730
	Total assets	16,679,912	13,456,917

EQUITY AND LIABILITIES		31.12.18	31.12.17
		DKK	DKK
Note			
	Share capital	500,000	500,000
	Reserve for net revaluation according to the equity method	275,124	0
	Retained earnings	13,841,154	10,302,068
	Total equity	14,616,278	10,802,068
	Payables to other credit institutions	187,980	267,195
	Trade payables	457,194	874,040
	Payables to group enterprises	2,795	0
	Income taxes	901,142	1,092,678
	Other payables	514,523	420,936
	Total short-term payables	2,063,634	2,654,849
	Total payables	2,063,634	2,654,849
	Total equity and liabilities	16,679,912	13,456,917

3 Contingent liabilities

4 Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Total equity
Statement of changes in equity for 01.01.17 - 31.12.17				
Balance as at 01.01.17	500,000	0	6,813,721	7,313,721
Net profit/loss for the year	0	0	3,488,347	3,488,347
Balance as at 31.12.17	500,000	0	10,302,068	10,802,068
Statement of changes in equity for 01.01.18 - 31.12.18				
Balance pr. 01.01.18	500,000	0	10,302,068	10,802,068
Net profit/loss for the year	0	275,124	3,539,086	3,814,210
Balance as at 31.12.18	500,000	275,124	13,841,154	14,616,278

Cash flow statement

Note	2018 DKK	2017 DKK
Net profit/loss for the year	3,814,210	3,488,347
5 Adjustments	233,418	1,520,357
Change in working capital:		
Receivables	-2,873,661	-2,191,585
Trade payables	-320,464	617,436
Cash flows from operating activities before net financials	853,503	3,434,555
Interest income and similar income received	65,000	39,000
Interest expenses and similar expenses paid	-46,213	-92,866
Income tax paid	-1,092,678	-445,042
Cash flows from operating activities	-220,388	2,935,647
Total cash flows for the year	-220,388	2,935,647
Cash, beginning of year	7,857,266	4,800,039
Short-term payables to credit institutions, beginning of year	-267,195	-145,615
Cash, end of year	7,369,683	7,590,071
Cash, end of year, comprises:		
Cash	7,557,663	7,857,266
Short-term payables to credit institutions	-187,980	-267,195
Total	7,369,683	7,590,071

	2018	2017
	DKK	DKK
1. Staff costs		
Wages and salaries	5,506,474	3,475,563
Pensions	116,333	54,391
Other social security costs	65,262	25,500
Other staff costs	767,835	853,621
Total	6,455,904	4,409,075
Average number of employees during the year	9	7

2. Financial income

Interest, group enterprises	35,000	9,000
Other interest income	30,000	30,000
Total	65,000	39,000

3. Contingent liabilities*Other contingent liabilities*

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The perception from the management is that the company has acted in accordance with the law.

A former employee from FlyGAC A/S has filed a lawsuit against the company with a claim for compensation of DKK 163,000. It is expected that the case will be rejected and that the case will be brought against the subsidiary company.

4. Charges and security

The company has not provided any other security over assets.

	2018	2017
	DKK	DKK

5. Adjustments for the cash flow statement

Income from equity investments in group enterprise	-648,937	373,813
Financial income	-65,000	-39,000
Financial expenses	46,213	92,866
Tax on profit or loss for the year	901,142	1,092,678
<hr/>		
Total	233,418	1,520,357

6. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

In accordance with section 110 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

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

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

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

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

6. Accounting policies - continued -**INCOME STATEMENT****Gross profit**

Gross profit comprises revenue and cost of sales and other external expenses.

Revenue

Income from the sale of services is recognised as delivery takes place. Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Income from equity investments in group enterprises

For equity investments in subsidiaries, measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

6. Accounting policies - continued -

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Equity investments in group enterprises

Equity investments in subsidiaries are recognised and measured according to the equity method, meaning that these equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of positive or negative goodwill and gains and losses on transactions with the enterprises in question.

Gains or losses on the divestment of subsidiaries are determined as the difference between the divestment consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this

6. Accounting policies - continued -

is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts.

Equity

The net revaluation of equity investments in subsidiaries is recognised in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on

6. Accounting policies - continued -

the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the company's share capital and associated costs and financing from and dividends paid to shareholders as well as the arran-

6. Accounting policies - continued -

gement and repayment of long-term payables.

Cash and cash equivalents at the beginning and end of the year comprise cash and short-term payables to credit institutions.