

ALP AIRSERVICE ApS

Nørre Voldgade 90, 1.
1358 København K
Business Registration No
32309526

Annual report 01.07.2018 - 30.06.2019

The Annual General Meeting adopted the annual report on 07.11.2019

Chairman of the General Meeting

Name: Lars Schmidt

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Entity details

Entity

ALP AIRSERVICE ApS
Nørre Voldgade 90, 1.
1358 København K

Central Business Registration No (CVR): 32309526

Registered in: København

Financial year: 01.07.2018 - 30.06.2019

Executive Board

Peter Fabrin, CEO
Lars Schmidt , CFO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of ALP AIRSERVICE ApS for the financial year 01.07.2018 - 30.06.2019.

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 30.06.2019 and of the results of its operations for the financial year 01.07.2018 - 30.06.2019.

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.

Copenhagen, 07.11.2019

Executive Board

Peter Fabrin
CEO

Lars Schmidt
CFO

Independent auditor's report

To the shareholders of ALP AIRSERVICE ApS

Opinion

We have audited the financial statements of ALP AIRSERVICE ApS for the financial year 01.07.2018 - 30.06.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 30.06.2019 and of the results of its operations for the financial year 01.07.2018 - 30.06.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 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 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 financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

Independent auditor's report

- 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the 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, 07.11.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

Tim Kjær-Hansen
State Authorised Public Accountant
Identification No (MNE) mne23295

Jacob Tækker Nørgaard
State Authorised Public Accountant
Identification No (MNE) mne40049

Management commentary

Primary activities

The Company's purpose, is charter and taxi- flights and therefore by judgement of the board associated company.

Development in activities and finances

The result for the year shows a profit of 27.388 TDKK. The result is as expected by Management.

The increase in the activity and profit compared to prior year, is due to the company has taken over the flight business from group enterprises, as the company have a license to do flight business.

The financial period covers the period 1st of July 2018 – 30th June 2019 whereas the comparative figures covers the period May 1 - 30 June 2018 hence the figures are not comparable.

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.

Income statement for 2018/19

	<u>Notes</u>	<u>2018/19</u> <u>DKK'000</u>	<u>2018</u> <u>DKK'000</u>
Gross profit/loss		34.650	(39)
Other financial income	1	543	74
Other financial expenses		<u>(20)</u>	<u>(59)</u>
Profit/loss before tax		35.173	(24)
Tax on profit/loss for the year	2	<u>(7.785)</u>	<u>6</u>
Profit/loss for the year		<u>27.388</u>	<u>(18)</u>
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		27.370	0
Retained earnings		<u>18</u>	<u>(18)</u>
		<u>27.388</u>	<u>(18)</u>

Balance sheet at 30.06.2019

	<u>Notes</u>	<u>2018/19 DKK'000</u>	<u>2018 DKK'000</u>
Receivables from group enterprises		36.617	29.437
Prepayments	3	<u>30</u>	<u>245</u>
Receivables		<u>36.647</u>	<u>29.682</u>
Cash		<u>140</u>	<u>0</u>
Current assets		<u>36.787</u>	<u>29.682</u>
Assets		<u>36.787</u>	<u>29.682</u>

Balance sheet at 30.06.2019

	<u>Notes</u>	<u>2018/19</u> <u>DKK'000</u>	<u>2018</u> <u>DKK'000</u>
Contributed capital		50	50
Retained earnings		0	(18)
Proposed dividend		27.370	5.372
Equity		27.420	5.404
Joint taxation contribution payable		7.733	0
Non-current liabilities other than provisions		7.733	0
Trade payables		0	209
Payables to group enterprises		0	22.448
Joint taxation contribution payable		1.562	1.510
Other payables		72	111
Current liabilities other than provisions		1.634	24.278
Liabilities other than provisions		9.367	24.278
Equity and liabilities		36.787	29.682
Contingent liabilities	4		

Statement of changes in equity for 2018/19

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	50	(18)	5.372	5.404
Ordinary dividend paid	0	0	(5.372)	(5.372)
Profit/loss for the year	0	18	27.370	27.388
Equity end of year	50	0	27.370	27.420

Notes

	2018/19	2018
	DKK'000	DKK'000
1. Other financial income		
Financial income arising from group enterprises	541	0
Other interest income	0	73
Exchange rate adjustments	2	1
	<u>543</u>	<u>74</u>
	2018/19	2018
	DKK'000	DKK'000
2. Tax on profit/loss for the year		
Current tax	7.738	(6)
Adjustment concerning previous years	47	0
	<u>7.785</u>	<u>(6)</u>

3. Prepayments

The prepayments, consists of deposits and other payments for plane tickets and more, concerning the the upcoming season.

4. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Piste Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Alp Air Service ApS is currently part of a transfer pricing audit for the years 2014/15 – 2016/17. The company has delivered requested documentation and management expect no negative impact from the tax audit, however the outcome is uncertain.

Furthermore Alp Airservice ApS has committed to a liability towards air line companies, due to a signed contract and its cancellation terms. The value of the liability is 16.878 TDKK.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

Non-comparability

The financial period covers the period 1st of July 2018 – 30th June 2019 whereas the comparative figures covers the period May 1 - 30 June 2018 hence the figures are not comparable.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate set at the beginning of the year, and kept through out. 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 date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, costs of sales and external expenses.

Revenue

Revenue from the sale of flight seats and other services, sold to clients as part of the primary business, is recognised in the income statement on the time of departure; however, provision of sale of cancellation insurance at the time of payment.

Accounting policies

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including administration expenses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises 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 interest expenses on payables to group enterprises 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 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

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.

Cash

Cash comprises bank deposits.

Accounting policies

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

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

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.