
Lighthouse Aviation A/S

Nygade 2, DK-5500 Middelfart

Annual Report for 1 July 2016 - 30 June 2017

CVR No 33 04 52 39

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
28/9 2017

Jan Melgaard
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Lighthouse Aviation A/S for the financial year 1 July 2016 - 30 June 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 at 30 June 2017 of the Company and of the results of the Company operations for 2016/17.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Middelfart, 28 September 2017

Executive Board

Jan Melgaard
CEO

Board of Directors

Sanne Melgaard

Jens Vissing Melgaard

Jan Melgaard

Independent Auditor's Report on the Financial Statements

To the Shareholder of Lighthouse Aviation A/S

We have performed an extended review of the Financial Statements of Lighthouse Aviation A/S for the financial year 1 July 2016 - 30 June 2017, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the Financial Statements. We conducted our extended review in accordance with the Danish Business Authority's assurance standard for small enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared under the Danish Financial Statements Act.

This requires that we comply with the Danish Act on Approved Auditors and Audit Firms and FSR – Danish Auditors' Code of Ethics and that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

Conclusion

Based on the extended review, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2017 and of the results of the Company operations for the financial year 1 July 2016 - 30 June 2017 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

Management is responsible for Management's Review.

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

In connection with our extended review 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

Independent Auditor's Report on the Financial Statements

the Financial Statements or our knowledge obtained during the extended review, 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

Trekantområdet, 28 September 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Bunk Harbo Larsen
State Authorised Public Accountant

Lasse Berg
State Authorised Public Accountant

Company Information

The Company

Lighthouse Aviation A/S
Nygade 2
DK-5500 Middelfart

CVR No: 33 04 52 39
Financial period: 1 July - 30 June
Municipality of reg. office: Middelfart

Board of Directors

Sanne Melgaard
Jens Vissing Melgaard
Jan Melgaard

Executive Board

Jan Melgaard

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Management's Review

Financial Statements of Lighthouse Aviation A/S for 2016/17 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report has been prepared under the same accounting policies as last year.

Key activities

The primary activity of the Company is investment and consultancy activities, including shareholding in such companies.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 July - 30 June

	Note	2016/17 DKK	2015/16 DKK
Gross profit/loss		1,088,301	1,105,315
Staff expenses	1	-936,853	-849,771
Depreciation, amortisation and impairment of property, plant and equipment		-40,632	-107,245
Profit/loss before financial income and expenses		110,816	148,299
Financial income		1,278	1,644
Financial expenses	2	-11,312	-17,791
Profit/loss before tax		100,782	132,152
Tax on profit/loss for the year	3	-25,427	-36,016
Net profit/loss for the year		75,355	96,136

Distribution of profit

Proposed distribution of profit

Retained earnings		75,355	96,136
		75,355	96,136

Balance Sheet 30 June

Assets

	Note	2016/17 DKK	2015/16 DKK
Other fixtures and fittings, tools and equipment		366,901	407,533
Property, plant and equipment	4	366,901	407,533
Fixed assets		366,901	407,533
Inventories		77,378	74,406
Trade receivables		178,510	191,479
Receivables from group enterprises		169,815	24,865
Prepayments		0	13,787
Receivables		348,325	230,131
Cash at bank and in hand		459,021	683,717
Currents assets		884,724	988,254
Assets		1,251,625	1,395,787

Balance Sheet 30 June

Liabilities and equity

	Note	2016/17 DKK	2015/16 DKK
Share capital		500,000	500,000
Retained earnings		225,867	150,511
Equity	5	725,867	650,511
Provision for deferred tax		17,902	7,941
Provisions		17,902	7,941
Payables to group enterprises		289,110	610,579
Payables to owners and Management		57,407	12,285
Corporation tax		49,876	47,481
Other payables		111,463	66,990
Short-term debt		507,856	737,335
Debt		507,856	737,335
Liabilities and equity		1,251,625	1,395,787
Contingent assets, liabilities and other financial obligations	6		
Accounting Policies	7		

Notes to the Financial Statements

	<u>2016/17</u>	<u>2015/16</u>
	DKK	DKK
1 Staff expenses		
Wages and salaries	844,387	804,509
Pensions	36,155	0
Other social security expenses	19,822	14,596
Other staff expenses	36,489	30,666
	<u>936,853</u>	<u>849,771</u>
Average number of employees	<u>3</u>	<u>2</u>
2 Financial expenses		
Interest paid to group enterprises	11,053	10,579
Other financial expenses	259	7,212
	<u>11,312</u>	<u>17,791</u>
3 Tax on profit/loss for the year		
Current tax for the year	15,466	34,410
Deferred tax for the year	9,961	1,606
	<u>25,427</u>	<u>36,016</u>

Notes to the Financial Statements

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost at 1 July	514,778
Cost at 30 June	514,778
Impairment losses and depreciation at 1 July	107,245
Depreciation for the year	40,632
Impairment losses and depreciation at 30 June	147,877
Carrying amount at 30 June	366,901

5 Equity

	Share capital DKK	Retained earnings DKK	Total DKK
Equity at 1 July	500,000	150,512	650,512
Net profit/loss for the year	0	75,355	75,355
Equity at 30 June	500,000	225,867	725,867

Notes to the Financial Statements

	<u>2016/17</u>	<u>2015/16</u>
	DKK	DKK
6 Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	259,679	31,668
Between 1 and 5 years	<u>0</u>	<u>259,679</u>
	<u>259,679</u>	<u>291,347</u>
Rental obligation, cancellation period 6 months	45,000	45,000
Guarantee obligations		
The company's bank has issued a guarantee for a rental agreement on	36,522	36,522

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Melgaard Invest ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of Lighthouse Aviation A/S for 2016/17 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2016/17 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

7 Accounting Policies (continued)

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

7 Accounting Policies (continued)

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment 2-5 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Notes to the Financial Statements

7 Accounting Policies (continued)

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.