Albatros Travel International ApS

ANNUAL REPORT 2018

Tøndergade 16

DK-1752 København V
DENMARK

CVR-no: 38 51 06 06

Approved at the Annual General Meeting
April 24th 2019

Martin Berg Hansen
Chairman of the Meeting

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COMPANY INFORMATION

Company
Company Address:
Albatros Travel A/S
Tøndergade 16
DK-1752 Copenhagen V.
Denmark

CVR-No. : 38 51 06 06
Financial Year: 1 January - 31 December (2. Financial Year)
Registered Municipality: Copenhagen

Internet: www.albatros-travel.dk
Email: info@albatros-travel.dk

Management
Martin Berg Hansen

Auditor
RevisionsFirmaet Edelbo
Statsautoriseret Revisionspartnerselskab
"Kogtvedlund"
Kogtvedparken 17
DK-5700 Svendborg

RevisionsFirmaet Edelbo & Lund-Larsen
Statsautoriseret Revisionspartnerselskab
Frederiksholms Kanal 2
DK-1220 Copenhagen K

Bank
Danske Bank
Finanscenter Storkøbenhavn
Hovedvejen 107
DK-2600 Glostrup

Nordea Bank Danmark A/S
Erhvervscenter København
Vesterbrogade 8
DK-0900 Copenhagen C

Nykredit Bank
Under Krystallen 1
DK-1780 Copenhagen V

MANAGEMENT'S STATEMENT

The Management and the Board of Directors have today discussed and approved the Annual Report of Albatros Travel International ApS for the financial year 1 January – 31 December 2018.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statement gives a true and fair view of the Company's financial position at 31 December 2018 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2018.

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

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

Copenhagen, 24 April 2019

Management:

Martin Berg Hansen

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Albatros Travel International ApS

Opinion

We have audited the Financial Statements of Albatros Travel International ApS the financial year 1 January - December 2018, which comprise income statement, balancesheet, statement of changes in equity and notes including a summary of significant accounting policies.
The Financial Statements are prepared under the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018, and of the results of the Company operations as well as the cash flows for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs 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.

INDEPENDENT AUDITOR'S REPORT

- 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 Consolidated Financial Statements and the Parent Company 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 Parent 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 Consolidated Financial Statements and the Parent Company 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 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 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 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 Statement Acts. We did not identify any material misstatement of Management's Review.

Copenhagen, 24 April 2019

RevisionsFirmaet Edelbo
Statsautoriseret Revisionspartnerselskab
CVR-no. 35 48 61 78

Jan Ole Edelbo
State Authorised Public Accountant
mne4404

RevisionsFirmaet Edelbo & Lund-Larsen
Statsautoriseret Revisionspartnerselskab
CVR-no. 32 32 72 49

Stig Holm Mogensfeldt
State Authorised Public Accountant
mne30329

MANAGEMENT'S REVIEW

Main activity of the Company
The main activity of the Company is shareholding in international activities within the travel industry.

Development in the Company's activities
In 2018 the Company has made a net loss before tax of 58 tDKK.
The result is line line with managements expectations.

As per 1 January 2018, the following entities was merged into one legal entity: Albatros Travel International ApS

Albatros Travel China ApS
Albatros Travel Germany ApS
Albatros Travel India ApS
Albatros Travel USA ApS
Albatros Bagan Tempel Marathon ApS
Albatros Travel Poland ApS (now Albatros Travel International ApS and the cointinuing Company)

All merged entities had ownership of foreign shareholdings. The purpose for the merger is purely administrative.

Events after the financial year
No significant events have occurred after the end of the financial year that could have affected the assesment of assessment of the Company's financial position as per December 31, 2018.

Outlook for 2019
In 2019, management expects a profit before taxes.

Shareholder Information
Albatros Travel International ApS has the following registered shareholders subject to the Companies Act, Article 55:

Atbatros Travel A/S, Tøndergade 16, DK 1752-Copenhagen

ACCOUNTING POLICIES

The Annual Report of Albatros Travel International ApS has been prepared in accordance with the provisions of the Danish Financial Statements Act for companies in accounting class B.

The accounting policies used are consistent with those of last year.

According to the Danish Financial Statements Act, Article 112, Paragraph 1, no Consolidated Financial Statement has been made. The Company is a part of the Consolidated Financial Statement for SRBW Holding ApS.

In connection with the merger, the uniting of interests method has been applied, cf. section 123 of the Danish Financial Statements Act, since the conditions in Article 121, Paragraph 2 of the Danish Financial Statements Act is considered to be met.

In accordance with the uniting of interests method, assets and liabilities are recognized and measured for accounting purposes at book values per December 31, 2017, cf. the merged companies' annual reports for 2017.

In connection with the merger the comparatives have been restated.

General information regarding recognition and measurement
Income is recognised in the income statement as incurred including value adjustments of financial assets and liabilities, which are measured at fair value or amortized cost. Furthermore, costs paid to achieve revenue for the year are recognised including depreciation, impairment loss and provisions.

Transactions in foreign currencies are converted at initial recognition at the exchange rate of the transaction day. Debtors, debts and other monetary items in foreign currency, which have not been recognised on the balance sheet day, will be converted at the rate on the balance sheet day. Differences in exchange rates arising between the exchange rate on the transaction date and the date of payment are recognised in the income statement as financial accounts.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the company and the asset can be measured in a reliable manner.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortized cost including the recognition of a constant effective interest during the term. Amortized cost is calculated as original cost less any instalments as well as extra payment/deductions of the accumulated amortization of the difference between cost and nominal amount.

In regards to recognition and measurement, predictable losses and risks that arise before the annual report and that confirm or invalidate matters existing on the balance sheet day are taken into account.

Conversion of foreign currencies
Transactions in foreign currencies during the year are converted at periodically regulated standard exchange rates or average exchange rates.

Balances that are payable in foreign currency are converted at the exchange rates as per the official exchange rates on the balance sheet date.

ACCOUNTING POLICIES

INCOME STATEMENT

External expenses
External costs include sales, administration, property, development and lease costs.

Financial income and expenses
Financial income and expenses include interest, capital gains and losses on securities, payables and transactions in foreign currencies, amortization of financial assets and liabilities as well as surcharges and allowances under the on-account tax scheme etc.
Realized and unrealized exchange rate adjustments are included in the income statement under financial income or expenses.
Realized and unrealized market value adjustments from securities are recognized in the income statement under financial income or expenses.

Investments in subsidiaries
The income statement includes the proportionate share of the subsidiaries' net profit after full elimination of intercompany profit/loss.

Tax on profit for the year
Income tax expenses include current tax on the expected taxable income and the adjustment of deferred tax for the year less the amount of net tax related to equity. Current and deferred tax relating to equity is recognised directly in equity. The Company and the Danish subsidiaries are jointly taxed. The Danish corporation tax is divided between profitable and loss-making Danish companies in proportion to their taxable income (full allocation).
Other taxes consist of taxes and duties in the year that are independent of the Company's operations. The company is jointly taxed with the parent company SRBW Holding ApS. Corporation tax is refunded amongst the companies.

BALANCE SHEET
The balance is set in the account form

All other leases are operating leases. Payments made regarding operating leases and other leases are recognised in the income statement over the lease term. The Company's total liability relating to operating leases and rental agreements are recognised under contingent liabilities etc.

Investments in subsidiaries
Investments in subsidiaries are recognized in the balance sheet at the proportionate share of the net asset value calculated in accordance with the parent company's accounting policies minus or plus unrealized intercompany gains and losses and less any residual value of positive or negative goodwill calculated using the acquisition method.

Subsidiaries with a negative equity value are recognised at DKK 0, and any receivables from these enterprises are written down by the parent company's share of the negative equity if it is deemed irrecoverable. If the negative net asset value exceeds receivables, the balance is recognised under provisions if the parent company has a legal or constructive obligation to cover the subsidiary's deficit.

Net revaluation of investments in subsidiaries are transferred in equity to reserves for net revaluation under the equity method of accounting to the extent the amount exceeds cost less depreciation and write-down of goodwill.

Newly acquired or established companies are recognised in the financial statement from the acquisition date. Enterprises disposed of are recognised until the date of disposal.

Gains or losses on disposal of subsidiaries are calculated as the difference between the sales price and the carrying value of net assets at the time of sale including not written-down goodwill and expected costs of sale or disposal. Gains and losses are recognised in the income statement under financial items.

Subsidiaries are acquired using the acquisition method, after which the assets and liabilities of the newly acquired companies are measured at fair value on the acquisition date. The tax effect of any reassessments is taken into account.

ACCOUNTING POLICIES

Receivables
Receivables are measured at amortised cost, which usually corresponds to nominal value.
Provisions are made for anticipated losses on realization.

LIABILITIES

Equity
The expected dividend payment for the year is shown as a separate item under equity. Dividends are recognized as a liability at the time of adoption at the general meeting.

Provisions
Deferred tax
Deferred tax and the year's adjustment thereof is measured using the balance sheet liability method as the tax value of all temporary differences between accounting and tax values of assets and liabilities.

Deferred tax assets including the tax value of deferrable tax loss are recognized at the value at which they are expected to be utilized, either by elimination in tax on future earnings or against deferred tax liabilities of companies within the same legal tax entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates at the balance sheet date that will be applicable when the deferred tax is expected to crystallize as current tax.

Other provisions
Other provisions include expected costs for warranties, termination of activity, restructuring etc. Provisions are recognised when the Company at the balance sheet date has a legal or constructive obligation and it is probable that settlement will require an outflow of financial resources.

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

Financial - Liabilities
Financial liabilities are recognised initially at the proceeds received, net of transaction costs incurred. In subsequent periods, financial liabilities are measured at amortized cost equal to the capitalized value using the redemption yield, so the difference between the proceeds and the nominal value is recognized in the income statement over the loan period.

Financial liabilities also include the capitalized residual obligation on finance leases.

Other liabilities are measured at net realizable value.

INCOME STATEMENT

1 JANUARY to 31 DECEMBER 2018

Note		2018	2017
	OPERATING PROFIT	**-25.000**	**-72.109**
	Amortization and writing down	0	0
	EBIT	**-25.000**	**-72.109**
2	Profit from subsidiaries after tax	-16.146	-1.013.221
	Financial income associated companies	49.624	0
	Financial income	1.205	192.564
	Financial expenses	67.470	10.962
	Financial expenses associated companies	0	0
	PROFIT BEFORE TAX	**-57.786**	**-903.728**
3	Corporation tax and deferred tax	3.589	-17.154
	NET PROFIT	**-61.376**	**-886.574**

BALANCE SHEET AT 31 DECEMBER 2018

ASSETS

Note		31-12-2018	31-12-2017
2	Investments in susidiaries	1.226.759	1.130.951
	FINANCIAL ASSETS	1.226.759	1.130.951
	NON-CURRENT ASSETS	**1.226.759**	**1.130.951**
	Receivables from associates	2.582.300	125.941
	Other receivables	0	150.000
3	Income tax receivableIncome tax receivable	13.565	17.154
	RECEIVABLES	2.595.864	293.095
	CASH AT BANKS	237.618	3.199.915
	CURRENT ASSETS	**2.833.483**	**3.493.010**
	TOTAL ASSETS	**4.060.242**	**4.623.961**

BALANCE SHEET AT 31 DECEMBER 2018

EQUITY AND LIABILITIES

Note		31-12-2018	31-12-2017
	Share capital	340.000	340.000
	Retained earnings	1.744.725	1.808.693
	Reserve for net revaluation under the equity method	0	0
	Proposed dividend for the financial year	0	0
	EQUITY	**2.084.725**	**2.148.693**
2	Provision for subsidiaries	1.339.469	1.239.494
3	Deferred tax	0	0
	PROVISIONS	**1.339.469**	**1.239.494**
	Debt to associates	585.899	1.163.752
	Payables to financial creditors	0	0
3	Corporation tax	0	0
	Other payables and accruals	50.148	72.022
	CURRENT LIABILITIES	636.047	1.235.774
	TOTAL DEBT	**636.047**	**1.235.774**
	TOTAL LIABILITIES	**4.060.241**	**4.623.961**
4	Proposed distribution of profit		
5	Contingencies and other financial obligations		

STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve under the equity method	Transfered result	Dividends for the year	Total
Equity at 1 January 2018	**340.000**	**0**	**1.808.693**	**0**	**2.148.693**
Transfered result according to allocation of result		0	-61.376		-61.376
Amortisation of goodwill		0	0		0
Exchange adjustment relating to independent foreign entities		0	-2.592		-2.592
Regulation of foreign exchange contracts at fair value on future purchases and sales in foreign currencies		0	0		0
Extraordinary dividends				0	0
Dividends paid during the year				0	0
Dividend for the year				0	0
Equity at 31 December 2018	**340.000**	**0**	**1.744.725**	**0**	**2.084.725**

NOTES TO THE FINANCIAL STATEMENTS

1 Employee expenses

The company has no employees. Management do not receive salary.

2 Investments in subsidiaries are specified as follows in DKK

Name	Country	Ownership share in %	Share capital	Equity	Share of profit
Albatros Travel GmbH	Germany	100%	186.508	-1.118.341	-74.673
Write-down as provision			-	1.118.341	0
Beijing Albatros Travel Service Ltd	China	100%	3.244.799	1.226.759	100.683
Albatros Travel Poland Sp. Z.o.o.	Poland	100%	37.225	-198.752	-14.406
Write-down as provision			-	198.752	0
Albatros Travel (PTY) Limited	India	51%	543.673	-21.961	-12.750
Write-down of receivables			-	14.578	0
Write-down as provision			-	7.383	0
Albatros Bagan Marathon Ltd	Myanmar	51%	7	-14.993	-15.000
Write-down as provision			-	14.993	0
				1.226.759	**-16.146**

Investments in subsidiaries

	2018	**2017**
Balance at 1 January	4.012.219	3.930.181
Acquired in the year	0	82.038
Disposals	-7	0
Investment at 31 December	**4.012.212**	**4.012.219**
Balance at 1 January	-4.120.762	-2.986.962
Currency translation	-2.592	-120.579
Share of profit	-16.146	-1.013.221
Amortization of goodwill	0	0
Disposals	0	0
Adjustment at 31 December	-4.139.500	-4.120.762
Writing down of balance due	14.578	0
Transfer to reserves	1.339.469	1.239.494
Book value at 31 December	**1.226.759**	**1.130.951**

NOTES TO THE FINANCIAL STATEMENTS

3 Corporation tax and deferred tax asset

	2018		2017	
	Corporation tax	Deferred tax	Corporation tax	Deferred tax
Receivable/payable at 1 January	**-17.154**	**0**	**0**	**0**
Paid in the year	0	0	0	0
Tax on profit for the year	3.589	0	-17.154	0
Paid in the year	0	0	0	0
Deferred tax adjustment	0	0	0	0
Receivable/payable at 31 December	**-13.565**	**0**	**-17.154**	**0**
Tax on profit for the year	3.589		-17.154	
Deferred tax adjustment for the year	0		0	
Total	**3.589**		**-17.154**	
Deferred tax consists of:				
Non-current assets		0		0
Debt and receivables		0		0
Total		**0**		**0**

4 Proposed distribution of profit

	2018	2017
Transferred to retained earnings	-61.376	-886.574
Exstraordinary dividends paid in the financial year	0	0
Reserve for net revaluation under the equity method	0	0
Dividend for the year	0	0
	-61.376	-886.574

5 Contingencies and other financial commitments

Albatros Travel International ApS is jointly taxed with the parent company SRBW Holding ApS. The group's Danish companies are jointly and severally liable for tax on consolidated taxable income and for certain any withholding taxes, dividend tax and royalty tax.