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PIRHUK - GREENLAND MOUNTAIN GUIDES APS

B-1014, 3915 KULUSUK

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 7 June 2024**

Matthew Spenceley

CVR NO. 39 49 32 68

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COMPANY DETAILS**Company**

Pirhuk - Greenland Mountain Guides ApS
B-1014
3915 Kulusuk

CVR No.: 39 49 32 68
Established: 6 April 2018
Municipality: Sermersooq
Financial Year: 1 January - 31 December

Executive Board

Matthew Spenceley
Helen Elizabeth Spenceley

Auditor

BDO Statsautoriseret revisionsaktieselskab
Imaneq 33, 7. etage, Box 20
GL-3900 Nuuk

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Pirhuk - Greenland Mountain Guides ApS for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Greenlandic 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 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

The Executive Board remain of the opinion that the conditions for opting out of audit have been fulfilled.

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

Kulusuk, 7 June 2024

Executive Board

Matthew Spenceley

Helen Elizabeth Spenceley

AUDITOR'S REPORT ON COMPILATION OF FINANCIAL INFORMATION

To the Shareholders of Pirhuk - Greenland Mountain Guides ApS

We have compiled these Financial Statements of Pirhuk - Greenland Mountain Guides ApS for the financial year 1 January - 31 December 2023 based on the Company's accounting records and other information provided by Management.

These Financial Statements comprise income statement, balance sheet, statement of changes in equity, notes and accounting policies.

We performed this compilation engagement in accordance with the International Standard, Compilation Engagements.

We have applied our professional expertise to assist Management in the preparation and presentation of these Financial Statements in accordance with the Greenlandic Financial Statements Act. We have complied with relevant statutory provisions of the Danish Audit Act and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), including principles of integrity, objectivity, professional behaviour, and due care.

These Financial Statements and the accuracy and completeness of the information used to compile these Financial Statements are Management's responsibility.

Since an engagement to compile financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by Management to us to compile these Financial Statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these Financial Statements are prepared in accordance with the Greenlandic Financial Statements Act.

Nuuk, 7 June 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Lea Serwin
State Authorised Public Accountant
MNE no. mne46612

MANAGEMENT COMMENTARY

Principal activities

The company's purpose is to operate a tourist business and other related business.

Development in activities and financial and economic position

Financial year 2023 was the sixth year of operation.

The result for the year was a profit at 190 k.DKK, which was expected.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS PROFIT		835,974	841,286
Staff costs.....	1	-494,678	-509,301
Depreciation, amortisation and impairment losses.....	2	-146,200	-146,200
OPERATING PROFIT		195,096	185,785
Other financial income.....		901	0
Other financial expenses.....		-4,717	-38,279
PROFIT BEFORE TAX		191,280	147,506
Tax on profit/loss for the year.....	3	-825	0
PROFIT FOR THE YEAR		190,455	147,506
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		190,455	147,506
TOTAL		190,455	147,506

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Land and buildings.....		600,000	651,800
Other plant, machinery tools and equipment.....		0	94,400
Property, plant and equipment.....	4	600,000	746,200
NON-CURRENT ASSETS.....		600,000	746,200
Raw materials and consumables.....		204,691	253,129
Inventories.....		204,691	253,129
Trade receivables.....		4,950	2,873
Other receivables.....		0	566,246
Prepayments.....		10,824	8,443
Receivables.....		15,774	577,562
Cash and cash equivalents.....		781,840	1,541
CURRENT ASSETS.....		1,002,305	832,232
ASSETS.....		1,602,305	1,578,432

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital.....		125,000	125,000
Retained earnings.....		-553,274	-743,729
EQUITY.....		-428,274	-618,729
Trade payables.....		21,286	23,014
Payables to owners and management.....		1,938,608	2,127,579
Corporation tax payable.....		825	0
Other liabilities.....		53,391	34,238
Deferred income.....		16,469	12,330
Current liabilities.....		2,030,579	2,197,161
LIABILITIES.....		2,030,579	2,197,161
EQUITY AND LIABILITIES.....		1,602,305	1,578,432
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EQUITY

DKK	Share Capital	Retained earnings	Total
Equity at 1 January 2023.....	125,000	-743,729	-618,729
Proposed profit allocation.....		190,455	190,455
Equity at 31 December 2023	125,000	-553,274	-428,274

NOTES

	2023 DKK	2022 DKK	Note
Staff costs			1
Average number of full time employees	3	3	
Wages and salaries.....	488,900	502,999	
Social security costs.....	5,778	6,302	
	494,678	509,301	
Depreciation, amortisation and impairment losses			2
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year.....	825	0	
	825	0	
Property, plant and equipment			4
		Other plant, machinery tools and equipment	
DKK	Land and buildings		
Cost at 1 January 2023.....	859,000	472,000	
Cost at 31 December 2023.....	859,000	472,000	
Depreciation and impairment losses at 1 January 2023.....	207,200	377,600	
Depreciation for the year.....	51,800	94,400	
Depreciation and impairment losses at 31 December 2023....	259,000	472,000	
Carrying amount at 31 December 2023.....	600,000	0	
Contingencies etc.			5
Contingent assets			
DKK 47,5 thousand has not been recognized as a tax asset in the accounts			
Contingent liabilities			
Vehicle leasing until 31 December 2031 DKK 858.773.			
Charges and securities			6
None.			
Information on uncertainty with respect to going concern			7
The management has obtained a statement from the legal owner which express sufficient financial support. Thesupport covers the period to at least 31 May 2025 an will cover the company financially, by extending loans or providing credits for the company to the extent necessary to finance current and future activities and to service all current debts. On this background the management consider the going concern assumption fulfilled.			

ACCOUNTING POLICIES

The Annual Report of Pirhuk - Greenland Mountain Guides ApS for 2023 has been presented in accordance with the provisions of the Greenlandic Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Tangible fixed assets

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

ACCOUNTING POLICIES

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
Buildings.....	10-25 years
Other plant, fixtures and equipment.....	2-5 years

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of tangible assets, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct production cost.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

ACCOUNTING POLICIES

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents

Cash and cash equivalents include cash at bank.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.