WEST ATLANTIC
Annual report 2014

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History in the making

The West Atlantic Group emerged in 2011 through the merger of two of Europe's most established independent regional cargo airlines; the West Air Group based in Sweden and Atlantic Airlines based in the United Kingdom. Headquartered in Gothenburg, the merged entity constitutes one of Europe's largest and most experienced providers of unique, integrated ground-to-air logistics for the mail and express industries using a customised fleet of BAe ATP, Bombardier CRJ200 and Boeing 737 freighters.

West Air Sweden, the heart of the former West Air Group was established in 1962 under the name ABAL Air, which was changed in 1992 to West Air Sweden. Following the increased demand for airmail services from the Swedish Post, West Air Sweden increased its mail operations throughout 1995 to 1998. In 1995 the current major shareholders acquired the company.

Following the current owners' purchase of West Air Sweden, the organisation was converted into a dedicated mail and cargo airline in May 1997 after discontinuing scheduled passenger services between Gothenburg and Sundsvall in Sweden. During 2006 West Air Sweden was awarded and co-developed the entire Norwegian Postal network, which increased West Air Sweden's capacity by approximately 50 per cent.

Pioneering the technical competence necessary to move existing mail trolleys directly from trucks to on board the aircraft – the roll-on/ roll-off concept has been a key factor in improving efficiency and service quality where employed in Scandinavia.

Atlantic Airlines was incorporated in 1994 within the Air Atlantique Group, which was originally established on Jersey, UK in 1969. Originally operating an aircraft fleet of seven Lockheed 188 Electra aircraft, Atlantic Airlines was specialised in the supply of contract and ad-hoc air cargo services which included transatlantic capability. Following a full management buy-out of the assets of the business in May 2004, Atlantic Airlines Ltd. was established as an independent commercial operator and shifted complete focus to intra-European operations.

Since its inception, Atlantic Airlines has been a significant contributor to the UK regional air cargo industry, capitalising on its heritage of cargo and airmail operations across Europe since the first Royal Mail contract was awarded to Air Atlantique in 1975.

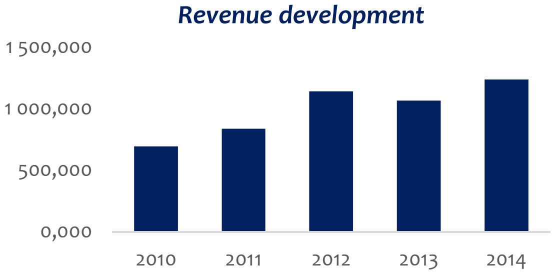
During 2013, West Atlantic formed a strategic partnership with US based Air Transport Services Group, Inc. (NASDAQ: ATSG), in which ATSG acquired a 25 per cent shareholding in the West Atlantic Group. The partnership marks the introduction of Boeing 767 to West Atlantic's service offering. The partners' skillsets are very well aligned to support the market demand given their respective established and complimentary capabilities in the global marketplace.

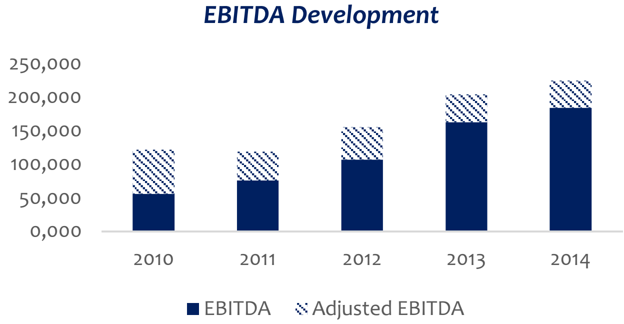
Group overview and financials

West Atlantic in brief

West Atlantic Group is a European dedicated cargo airline specialised in mail and express freight. Developing from many years' experience the Group can offer its customers customised efficient solutions for airfreight services, aircraft maintenance, airworthiness services and aircraft leasing. West Atlantic's primary market is to provide scheduled airlift capacity to National Mail Organisations and Global Integrators in Europe. In 2014 West Atlantic performed over 26,000 flights serving approximately 50 scheduled destinations.

Revenue and Income





Adjusted EBITDA comprises the Group's performance by adjusting EBITDA for aircraft operating leasing and non-recurring items. Please note that the Group performed a Swedish GAAP to IFRS transition as per January 1, 2013 whereby previous financial information are according to previous policies and practises.

Operating performance

99.3 %

Flight dispatch regularity

Long term target > 99 %

Key operating indicators	2014 Jan - Dec	2013 Jan - Dec
Performed flights	26,195	23,644
Regularity (target >99%)	99.3%	99.2%
Number of hours flown	27,241	26,032
Scheduled destinations	48	43
Tonnes carried	111,660	85,091

Key indicators for the Group

	2014	2013
Adj. EBITDA	224,412	203,810
EBITDA	183,865	162,691
Net income	10,584	35,174
Cash flow from operations	227,068	72,222
Investments aircraft and components	203,606	268,396
Earnings per share (SEK)	0.39	1.30
Average number of employees	472	451

	2014-12-31	2013-12-31
Equity / Asset ratio	21.51 %	21.12 %
Financial net interest bearing debt	575,503	538,041
Net interest bearing debt / EBITDA	3.1	3.3
Interest coverage ratio*	3.6	3.1

** Defined as EBITDA / Net financial costs*

All figures in this report are presented in Swedish Krona thousands (TSEK) unless otherwise stated.

CEO and President's comments

A productive year with B737 fleet expansion and building the platform for the future

During 2014 the Group's revenue from operations increased by 16 per cent year-on-year, primarily following the Group's strategy to expand in the Boeing 737 aircraft. Increasing demand in the market was observed from the major customers, which was further evidenced during the fourth quarter peak season with volumes at historically high levels. Based on the long term strategy of adding capacity and operating capabilities, West Atlantic has built a platform for the future with a service offering in 2015 ranging from regional turboprop freighters to wide-body jets that will serve the Group well in the years to come.

Revenue, income and cash flow

Revenue increased by 16 % year-on-year primarily an effect from the addition of three B737 aircraft, increased utilisation of the BAe ATP fleet and also favourable currency movement of the GBP and USD versus SEK.

Adjusted EBITDA increased to TSEK 224,412 (203,810), primarily attributable to additional B737 aircraft in operations and one B737 placed on a long term dry lease agreement. Adj. EBITDA included income from aircraft sales of TSEK 29,343 (27,366) following two successful transactions generated by the Group's collaboration arrangement with Erik Thun.

EBITDA increased to TSEK 183,865 (162,691) but was largely impacted by the introductions of the B737-400 and the B767 aircraft types that incurred significant non-recurring costs during 2014. These strategic investments in operating capabilities will make the Group better equipped to meet the market demand in the near future.

The cash flow from operating activities amounted to TSEK 227 068 (72 222), primarily attributable to decreases in operating capital combined with improved operational performance.

Optimising the operating platform

During the year the Group has continuously focused its efforts into optimising the organisation to reach a scalable operating platform focused on delivering qualitative and cost efficient solutions. During the course of the year, West Atlantic has consolidated all in-house base maintenance activities for the BAe ATP aircraft, while also setting up a H24 Group common logistic centre with the ability to support the entire network. Both these actions are expected to increase long term quality and add value for our customers.

Market and Customers

West Atlantic continues to enjoy long and close relationships with its customers, which is an integral part of the Group's strategy. This was evidenced by several contract renewals throughout the year.

In the mail industry, Posten Norge A/S (the Norwegian Postal Service) and West Atlantic agreed to a new contract for domestic air transportation of mail. The agreement will commence in August 2015 and will initially run for a period of five years. The contract further includes options of annual extensions for a possible maximum duration of eight years. The agreement marks a cornerstone for the Group with stable operating conditions in Norway for many years to come. This will allow the Group to capitalise on the longest commercial commitment in the Group's history.

The regional air freight market in Europe has been characterised by slight overcapacity during the past few years. However, the Group experienced a trend reversal during 2014, with increasing demand for airfreight services. The market shift was further illustrated by the fact that the Group was able to deploy capacity at more attractive rates compared to recent years.

This increased demand was primarily visible during peak season in the fourth quarter. During this period West Atlantic secured two new BAe ATP agreements with Global Integrators, both scheduled to commence in January, 2015. These operations will increase utilisation on the current fleet.

Further, the Group has agreed to commercial terms for one B767 aircraft going into 2015. The Group believes that the market demand for larger capacity will increase in the near future. The operational start for the B767 will be important for the Group's development and service capabilities going forward.

Aircraft fleet

The aircraft fleet was expanded by one B737-300 and two B737-400 during 2014. One of the B737 aircraft was immediately dry-leased to a third party on a long term agreement while the other two were deployed with existing customers in the European market. The deliveries of these aircraft put the Group's current B737 fleet at eight aircraft, surpassing the strategic critical mass in terms of scale.

Outlook

The outlook for 2015 is positive and driven by continued stable growth in volumes throughout the intra-European market. The strategy for 2015 is primarily to expand into B767 combined with continued increase in the B737 operations.

West Atlantic will during 2015 increase the efforts to further improve the operating platform. Actions will focus on rationalising and streamlining the technical activities and flight operations.

The start of the B767 traffic in 2015 will further be of importance for the Group's continued growth and development, where West Atlantic identifies favourable opportunities to increase traffic volumes and capitalise on its already well established and strong position in Europe.

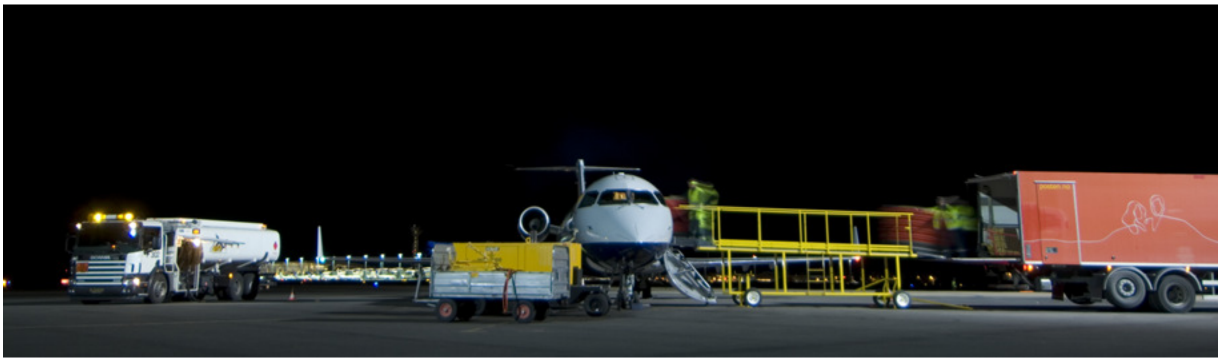
Gothenburg, April 2015

Gustaf Thureborn
CEO and Group President

Service offering

The Group acts as an outsourcing provider of air freight operations, offering full charter capacity or ACMI (Aircraft, Crew, Maintenance and Insurance) flights to its customers, whom can choose to supply and/or cover direct operating requirements such as fuel. Aircraft are available in different configurations, RORO-Mail (roll-on/roll-off), bulk loading of cargo, containerised, palletised or a mix of the above.

RORO-Mail has been a major contributing factor to West Atlantic's success as on/off-loading times are minimised to 15 min, compared to historical bulk loading at around 45 min, where the mail was manually carried. By securing airport access for trucks and using customised loading ramps it is possible to roll the mail trolleys on and off directly, leading to significant savings in both time and manpower.



Ancillary to the production of ACMI/Charter operations, the Group offers technical services and aircraft leasing to other airlines. By acquiring aircraft at attractive prices and carrying residual value risk the Group is able to capitalise on its knowhow of how to place aircraft on contract, dry lease out or re-market directly at a premium. Historically, the Group has been successful in the aircraft trading market and has performed two transactions per annum on average.

West Atlantic's main operational fleet is the up to eight tonnes payload class, with turboprop capacity such as the BAe ATP. The BAe ATP was converted to a freighter on the Group's initiative since it foresaw the exceptional operational capacity of the aircraft and the attractive feedstock sourcing opportunity. Subsequently, the regional jet CRJ200PF was introduced as a package freighter following the contract award from the Norwegian Mail in 2006, with a network that included longer and thinner routes, requiring a faster service to meet the time critical delivery schedule.

Further pursuing the strategy of developing capability alongside customer requirements, West Atlantic has introduced the Boeing 737 to support mail customers' heavier routes. Shortly thereafter, West Atlantic began to offer the capability to the Global Integrators.

Recently, following the partnership between West Atlantic and Air Transport Services Group (ATSG), the Group has identified demand for larger, up to 50 tonnes payload, capacity in the European airfreight market. Consequently, West Atlantic is now adding this capability and offering customers these services starting in 2015.

Mission

Strategy and long term vision

Strategy and business plan

During the summer of 1995 the current major shareholders purchased West Air Sweden. In 2015, the Group celebrates 20 years of success with the same majority owners, business plan and strategy. Since the beginning, the Group's objective has been to meet the demand for outsourced airfreight solutions, growing with its customers and finding new ways to refine the services while reinvesting profits in the Group, gearing for future growth.

As described by the Group's CEO and President, Gustaf Thureborn:

"- We grow with our customers, acting on a contractual market following the demands for outsourced airfreight operations. We go where our customers want us to go and we continuously strive to find new ways to offer more efficient and innovative solutions."

Group development and operating capabilities

The journey of the West Atlantic has provided the significant assets to its disposal. Primarily highly skilled staff specialised in areas ranging from aircraft engineering to operations. The West Atlantic Group aims to capitalise from its platform by adding on B737 and B767 operating capabilities. The structural and organisational investments will be minimal as the platform can be scaled to be aligned with the requirements for these new capabilities. This will give the Group a significantly easier task in breaking the entry barriers for these markets. Further, the close partnership with Air Transport Services Group (ATSG) will further allow the Group to spearhead its entry in the B767 market rapidly upon introduction, supported by ATSG's extensive expertise, asset availability and global support.

Long term vision

The long term vision of West Atlantic is envisioned as the Group being the largest provider to National Mail Organisations in Europe and continuing to provide and support all Global Integrators with regional capacity as needed, where needed.

Market overview

Market characteristics and customers

West Atlantic's primary market is to provide outsourced airfreight services with dedicated aircraft. Competitors operating aircraft of similar capacity include Farnair in Switzerland, Air Contractors in Ireland, Swift Air in Spain and Amapola in Sweden. In the wake of the financial crisis 2008-2009 the market stagnated in line with overall prevailing economic conditions but has historically shown very strong growth. The market consists of the following key customer sectors:

- National Mail Organisations, such as Royal Mail, Norwegian Mail and PostNord
- Global Integrators, such as UPS, DHL, FedEx and TNT
- Freight forwarders and other cargo carriers

National mail organisations (NMOs)

Characterised by being organisations under, or previously under, government ownership and/or control, NMOs operate following state issued concessions to provide populations with mail and parcel services in accordance with the concession delivery requirements – usually delivery five to six days a week per European standards. A common requirement for such a monopoly concession in Northern Europe is that 85% per cent of the overnight mail must reach its destination on time.

Following the European legislation for public procurement, almost half of the postal community inside the European Union issues public procurement tenders, while the other half does not. Currently, West Atlantic has not yet seen a full public procurement of air mail services in France, Germany, Finland, Spain, Portugal nor

Italy. Whereas in markets that have been open for public procurement – such as in Norway and United Kingdom, West Atlantic has historically been very successful.

Global Integrators

The Global Integrators have sprung out of commercial demand for international and/or domestic overnight delivery of time-critical documents and parcels. Given that the NMOs historically had total dominion of the national postal system. The NMO setup was mostly specialised on domestic reach to meet the obligations of the concessions. On the other hand, Global Integrators could follow the commercial demand and setup networks in accordance with global trade flows. Consequently, the Global Integrators were quickly able to capture the huge demand for global delivery of time sensitive parcels. The Global Integrators include DHL, TNT, UPS and FedEx.

Competitors

The surrounding market in Europe consists of a handful of competitors. During 1995, when the original business plan was devised, there were close to 30 operators in Europe. Today, following years of consolidation, in the Group's opinion, less than ten competitive player remain.

The competitors differentiate by aircraft speciality and payload class. The business sector has significant entry barriers with respect to asset availability and operating experience requirements. There are immense financial and operational requirements to start a new airline within the European Union. For instance, one must show sufficient financial planning for one years' worth of operation with the first aircraft. In addition, there are political barriers with cabotage and foreign ownership limitations that exclude non-European competition.

Current client base

West Atlantic has a long standing customer base of leading logistic providers. The extensive track record has proven West Atlantic a reliable partner for premier logistics providers, and throughout the years, customers have appreciated the Group's flexibility to meet customers' specific requirements.

Reputation and development

Since the start of operations as a dedicated cargo airline in 1997, West Atlantic has achieved a remarkable reputation for its freight modification of both the HS 748 and BAe ATP aircraft. The Group introduced large aircraft cargo conversion solutions onto smaller aircraft types. In recent years, it has been noted that most of the competition has also adopted similar techniques to be able to offer freight solutions on equal economical terms. West Atlantic is, and has always been, associated with excellent quality and extensive knowledge of aircraft development projects.

Projects and development

A current project within the Group is the implementation of the BAe ATP-F next generation programme, which is being achieved by retrofitting existing aircraft systems and components with modern equipment. An example being the new clean-sheet design full Electronic Flight Instrument Systems (EFIS) cockpit.

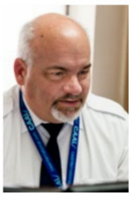
West Atlantic has co-designed and ordered the package freighter conversion programme for the CRJ200 regional jet, which was developed for long, thin routes, where speed is of essence. The CRJ200PF has already proven itself effective in West Atlantic's existing operations and is a project carrying future potential, especially following the launched large freight door programme – the AEI CRJ200SF, available in 2016.

Sustainability

Corporate citizenship

West Atlantic believes that corporations are integral parts of society and hold an equal, if not greater, responsibility as citizens in order to drive future progression in terms of welfare, innovation and growth. The Group aspires to continuously refine the provided air freight services, connecting regional time-sensitive infrastructures by air.

In order to contribute to sustainable development, employees must not only take into account the Group's financial development, but also the impact on society. Higher efficiency through optimised resources and a lower environmental impact will lead to increased competiveness and higher long-term profitability. Since airfreight operations are an integral part of social infrastructure, it is important that the Group remains ahead of the curve and safeguards a sustainable future for generations to come.




Human capital

The Group's strength in its human capital structure is a result of the Group's ability to find, develop and retain skilled individuals. West Atlantic is a very congenial workplace with low absenteeism and low turnover in employees. This is a result of the Group's aspiration to maintain a workplace that employees appreciate and where employees are offered room for growth as well as encouraged to develop. The Group allocates responsibilities at all levels through an entrepreneurial culture that encourages, empowers and rewards personal initiative. Employees are provided with standard social security and a healthcare package in accordance with social security and health care regulations in the respective countries. Collective working agreements or collective internal regulations govern working conditions, including salaries.

Diversity and equality

Diversity is a Group priority, striving to create a dynamic social composition that reflects society as a whole. During 2014 the female share of staff increased to 8.6 per cent (8.4). Employees have a diverse background in terms of nationality and religion. The basis of all recruitment in the Group is solely founded on competency.

United Nations Global Compact

West Atlantic has signed a commitment to the United Nations Global Compact, which is a programme for companies and organisations that wish to contribute on the international advancement of ten global principals regarding human rights, labour rights, environmental impact and anti-corruption. Consequently, the Group has undertaken to protect and support human rights and battle corruption, discrimination and forced labour. The Group is actively engaged in the G.C. Nordic Network. For more information, please see www.unglobalcompact.org and www.gcnordic.net.

The West Atlantic Way

Responsibility and innovation are central to the Group's history and part of its "DNA". Day by day, the entrepreneurial culture drives business decisions and relationships with all stakeholders.

West Atlantic is an international organisation that operates in dynamic, institutional, economic, political contexts in continuous and rapid evolution. The Group directly interacts with thousands of people and organisations through employees, customers, suppliers, business partners, and surrounding communities. The provided airfreight services have an impact on the daily lives of hundreds of millions, depending on the Group's performance to receive mail and parcels on time.

The Group's employees shall always be open-minded and objective, always striving to act as commercially sensible as possible and welcome open competition as a challenge to become even more efficient.

Environmental information

Given that aviation is a carbon dioxide intense industry it is imperative to the Group's mission, in order to minimise emissions, that the Group performs its business activity of transporting mail, parcels and goods by air as efficiently as possible and using the best and efficient technology available.

European Union - Emissions Trading Scheme (EU ETS)

Commencing in 2012, European aviation entered into the emissions trading scheme within the European Community. Named EU ETS it is a so-called 'cap and trade' system where the amount of emissions is limited on a yearly basis and emitters must trade rights to emit. The Group successfully managed the entry requirements to the scheme and, whilst the carbon market displayed significant financial volatility and risk due to political uncertainty, the Group managed to secure sufficient positions to comply at a competitive level.

Carbon emissions

During 2014, the airlines within the Group emitted just over 65 thousand tonnes of carbon dioxide, all of which was reported to the European Commission while carbon allowances surrendered in order to offset the emissions in accordance with the EU ETS regulations. In comparison, the Group carried close to 112 thousand tonnes of cargo throughout the year.

Noise emissions

Another significant impact that operating aircraft entails is noise emissions. The Group's aircraft have noise emissions minimised to the fullest. For instance, West Atlantic has modified and re-certified the BAe ATP Freighter type to the most stringent ICAO chapter IV noise certification level, further increasing the competitive position of the aircraft as a third generation turboprop whilst adding value to the community.

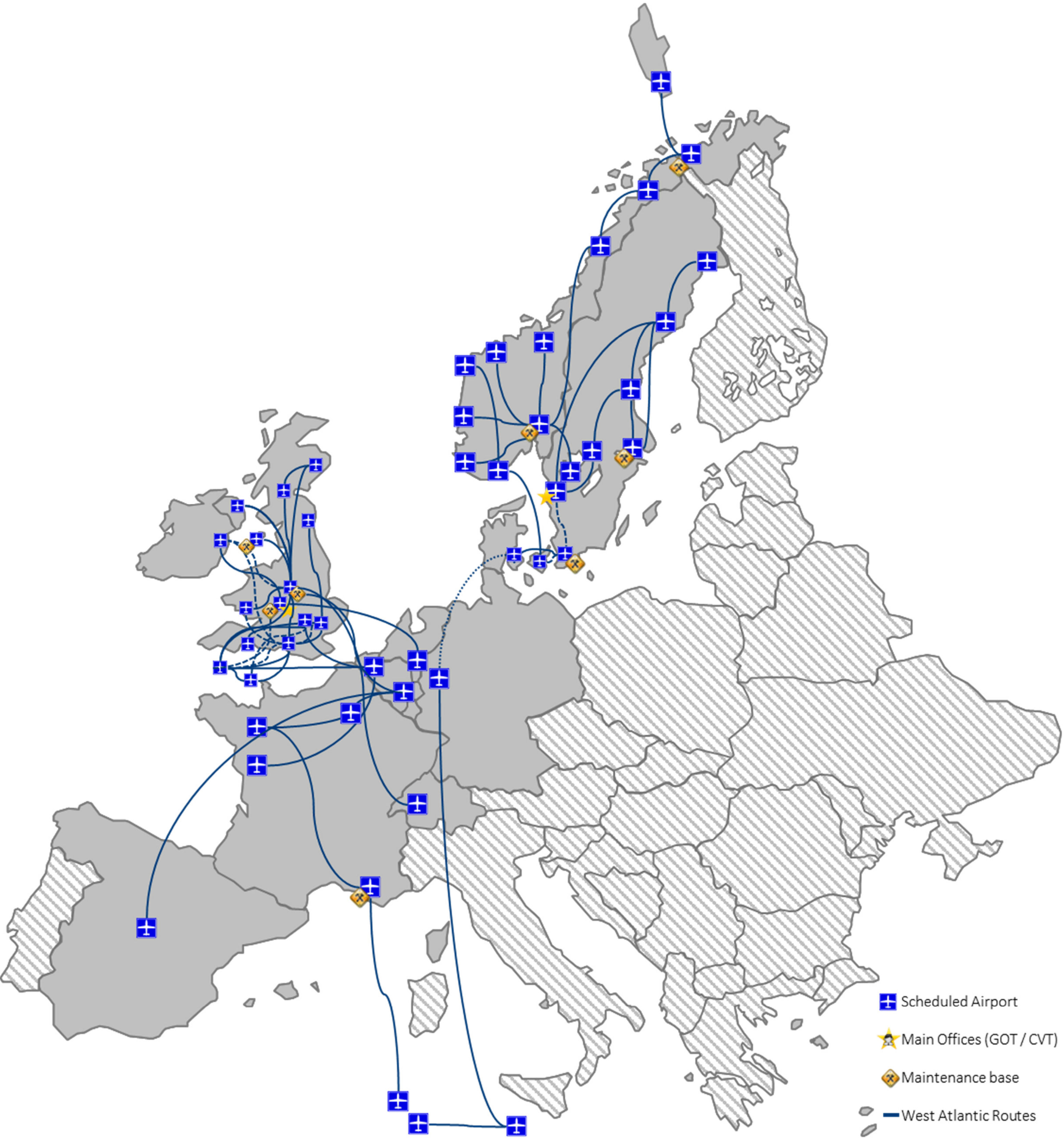
Efficient flight planning

During the year, West Atlantic employed continued focus to improve operational performance by tasking operations with an assignment to maximise efficiency on route planning, to secure that the aircraft minimises airborne time with the best available ascent/descent patterns, in order to save fuel. The Group also actively engages in minimising positioning flights and investing heavily in R&D, such as the recently launched Electronic Flight Bag (EFB) programme.

Waste dispensing

The maintenance and operations of aircraft make the Group an end-user of many petroleum-based products. Therefore, top-of-the line collection chambers and storage facilities are installed to secure and rationalise the management of waste products. In addition, the Group continuously adds to the significant experience and training in managing dangerous goods with resources dedicated to educate staff to ensure proper awareness, safety and quality in all procedures.

Scheduled destinations



Aircraft fleet

BAe ATP-F

Originally the airframe was developed from the Hawker Siddeley 748 which the Group successfully operated throughout the 90's and early 2000. The aircraft was produced in 63 units, whereof the Group currently owns or operates 41, and further performs maintenance and additional services for four aircraft. The aircraft is a fuel efficient short haul turboprop, ideal for integrated mail networks such as the Norwegian and Swedish following efficient modifications made by the Group. The aircraft serves as the backbone of West Atlantic's operating fleet and will continue to do so for many years to come.

BAE ATP/F				
2010	2011	2012	2013	2014
28	38	40	41	41

B737-300/400SF

The B737 has been the Group's strategic expansion fleet type since 2012. The aircraft has primarily been placed with both NMO's and Global Integrators, replacing previous turboprop aircraft where volumes have increased. The Group currently operates six B737-300 freighters.

In 2014, the Group continued its strategic growth into this aircraft type by adding the B737-400 type to its aircraft fleet and operating capabilities. The -400 has the advantage of being able to load one additional pallet, which provides the aircraft with a unique selling point, especially towards Global Integrators.

B737-300SF				
2010	2011	2012	2013	2014
1	1	2	5	6
B737-400SF				
-	-	-	-	2

CRJ200PF

West Atlantic has contributed to the design and was the launch customer for the CRJ200PF regional jet, which was developed for long, thin routes, where speed is of essence. The CRJ200PF has already proven itself to be highly effective in West Atlantic's existing operations and is a project carrying future potential, especially following the newly launched large freight door program – the AEI CRJ200SF.

CRJ200PF				
2010	2011	2012	2013	2014
2	3	3	3	3

Aircraft fleet – Detailed specifications

	BAe ATP-F	CRJ200PF	B737-300SF	B737-400SF
Max payload	8,400 kg	6,800 kg	18,600 kg	21,364 kg
Cruise speed	460 km/h	859 km/h	875 km/h	875 km/h
Cabin length	19.20 m	14.76 m	20.95 m	24.40 m
Cabin width	2.06 m	1.88 m	2.53 m	2.14 m
Cabin volume, gross	78 m^3	53 m^3	135 m^3	154 m^3
Aircraft length	26.00 m	26.77 m	33.40 m	36.50 m
Aircraft wingspan	30.63 m	21.21 m	28.88 m	28.88 m
Aircraft height	7.37 m	6.22 m	11.13 m	11.10 m
Main cargo door	2.63 x 1.71 m	0.91 x 1.78 m	3.54 x 2.20 m	3.56 x 2.18 m

Board of Directors' report fiscal year 2014

ANNUAL REPORT FOR THE GROUP & PARENT COMPANY
The board of directors and the President of the West Atlantic Group hereby submits the following annual report for the fiscal year 2014 (2014-01-01 to 2014-12-31) for the Group and Parent Company. All financial information contained in this report refers to the West Atlantic Group unless stated that the information refers to the Parent Company West Atlantic AB (publ).

ABOUT THE WEST ATLANTIC GROUP

Group and parent company information
West Atlantic AB (publ) is a Swedish registered public company headquartered in Gothenburg, incorporation number 556503-6083. Address P.O. Box 5433, SE 402 29, Gothenburg, Sweden.

West Atlantic AB (publ) is the Parent Company of the wholly owned subsidiaries West Air Sweden AB and West Atlantic Aircraft Management AB, jointly headquartered in Gothenburg, Sweden, Atlantic Airlines Ltd. and GLACKT Ltd. jointly headquartered in Coventry, UK, European Aviation Maintenance Ltd headquartered in Isle of Man, Norway Aviation Services AS headquartered in Oslo, Norway and West Atlantic S.A headquartered in Luxembourg.

West Air Sweden AB is represented locally through branches in Bertrange, Luxembourg (West Air Sweden Luxembourg Branch S.A R.L.), Marseille, France (West Air Sweden Aktiebolag), Copenhagen, Denmark (West Air Sweden, Filial af West Air Sweden Aktiebolag, Sverige) and Oslo, Norway (West Air Sweden AB Norge Filial).

West Atlantic's service offering
The West Atlantic Group is a European based dedicated cargo airline group specialised in mail and express airfreight solutions. Drawing from its many years of experience the Group can offer its customers customised and efficient solutions for airfreight services, aircraft maintenance, airworthiness services and aircraft leasing.

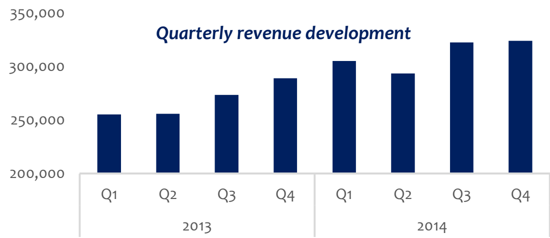
International Financial Reporting Standards (IFRS)
West Atlantic transitioned to IFRS with the interim report January – March, 2014 being the first report in accordance with IFRS. The transition date was determined to be January 1, 2013. All comparative figures for 2013 have been restated accordingly. The impact of the IFRS transition is presented in note 34 of the Group report.

GROUP PERFORMANCE

Fiscal year 2014 in brief:
- Revenue TSEK 1,244,278 (1,072,631)
- Adj. EBITDA TSEK 224,412 (203,810)
- EBITDA TSEK 183,865 (162,691)
- EBT TSEK 21,601 (38,805)
- Flights performed 26,195 (23,644)
- Flight Dispatch Regularity: 99.3 % (99.2)

Market and operating performance
During the fiscal year of 2014 West Atlantic increased the number of performed flights by 13.8 % through a combination of additions to the B737 operating aircraft fleet and increasing utilisation of the BAe ATP fleet. The Group served 48 (43) scheduled destinations during the year and Dispatch regularity increased to 99.3 %, surpassing the Group's long term goal of 99%.

Revenue and income
Revenue increased to TSEK 1,244,278 (1,072,631), an increase of 16 % year on year. The increase derived primarily from three additional B737 aircraft, increased utilisation of the BAe ATP fleet and also favourable currency movement of the GBP and USD versus SEK.



Adjusted EBITDA increased to TSEK 224,412 (203,810). The increase in Adjusted EBITDA was primarily attributable to additional B737 aircraft in operations and one deployed B737 on a long term dry lease agreement. Adjusted EBITDA included income from aircraft sales of TSEK 29,343 (27,366) following two successful transactions generated by the Group's collaboration arrangement with Erik Thun.

	2014	2013
EBITDA	183,865	162,691
Aircraft operating lease costs*	21,286	25,396
Introduction costs of B767/B737-400	15,780	605
Net provisions France	3,481	10,213
Cost of sale of subsidiary	-	7,017
Other non-recurring items	-	-2,112
Adjusted EBITDA	**224,412**	**203 810**

** As a portion of the Group's financing arrangements consist of aircraft leasing agreements, the Group reverses operating lease costs in Adj. EBITDA to reflect the operational performance independent of whether the agreements are construed as finance or operating leases.*

EBITDA increased to TSEK 183,865 (162,691) but was largely impacted by the introductions of the B737-400 and the B767 aircraft types that incurred significant non-recurring costs during 2014. Total non-recurring items amounted to TSEK 19,261 (15,723).

EBT amounted to TSEK 21,601 (38,805) but was affected by mentioned introductions of B737/B767 and further negatively impacted by non-realised foreign exchange currency losses of TSEK 13 751 and aircraft impairment of TSEK 4,992. 2013 further included income from sale of subsidiary of TSEK 9,862.

For more detailed analysis of revenue, income, non-recurring items and the definition of adjusted EBITDA, please find the financial comment section in conjunction with the financial statements in this report.

INVESTMENTS IN THE AIRCRAFT FLEET
During 2014 the Group acquired one B737-400 aircraft that was placed on a long term operating lease agreement with a third party operator. Further the Group took delivery of one B737-300SF and one B737-400 on long term operating lease agreements. Total investments in tangible non-current assets amounted to TSEK 220,820 (270,660).

SIGNIFICANT EVENTS DURING THE YEAR

BAe ATP market and operations

West Atlantic has enjoyed stable operations for the core BAe ATP fleet throughout the year. Following alterations from existing customers the Group has seen an increase in utilisation compared to 2013. The Group secured one additional Nordic express route in Q1 while having one mail contract cancelled by customer at the end of Q2. In Q4 the Group secured an additional contract with operating start in January 2015.

B737 market and operations

During the year West Atlantic has deployed three additional B737 aircraft in the express network for existing customers, while also dry-leasing one B737 aircraft to a third party operator.

B767 market and operations

The Group has agreed to commercial terms for one Boeing 767 aircraft going into 2015. The Group believes that the market demand for this capacity will increase in the near future. The operational start of the B767 will be an important step for the Group in its future development and add to the Group's service capabilities.

Major tenders and public procurements

During 2014 Norwegian Mail issued a public procurement for the full domestic air mail network for eight aircraft for up to a maximum of eight years. The Group currently holds the full contract. Award was expected during the fourth quarter, but has been delayed into 2015. Contract start is set to be August 1, 2015.

Pricing

The regional freight market in Europe has been characterised by slight overcapacity during the last few years. This has been illustrated by the fact that the financial year of 2013 was the fifth year in a row where the market was characterised by lack of growth. However, the Group experienced a trend reversal in 2014, with increasing demand for airfreight volumes. The market shift was further illustrated by the fact that the Group was able to deploy capacity at more attractive rates compared to recent years. Pricing adjustments for long term operating agreements are often regulated through clauses in respective agreements, gearing the Group towards increasing marginal efficiency over the duration of the contracts. Capitalising from many years of price pressure, West Atlantic has built a more efficient and competitive operating platform.

European Aviation Safety Agency (EASA)

The European aviation industry underwent a major regulation change in 2014, where all commercial airlines transitioned from local regulations to EU standards. This was a significant process which concerned both of the Group's airlines (West Air Sweden AB and Atlantic Airlines Ltd.). Both airlines reported full compliance during 2014.

Ongoing legal process in France

The Group continues to monitor the legal process in France, with regards to unpaid social security charges reported during 2013, which remains an uncertainty. The Group provisioned approximately TSEK 10 000 in 2013 and an additional TSEK 5 100 during 2014. In the second quarter of 2014 West Atlantic settled part of the claims. The total provisions at Dec 31, 2014 has increased to the corresponding date in 2013.

ORGANISATION AND EMPLOYEES

Employees

The Group employed 488 (443) people at the end of the year including 42 (37) women. The average number of employees for the period January-December amounted to 472 (451). Approximately half of the Group's employments is governed by collective work agreements (CWA) while the other half is governed by collective internal regulations similar to the conditions of CWA.

WEST ATLANTIC SHARES AND OWNERSHIP

Material changes in the shareholder structure

During 2013 West Atlantic formed a strategic partnership with Air Transport Services Group (NASDAQ: ATSG) to jointly bring additional B767 capacity into European operations. As part of this transaction ATSG agreed to acquire a 25% shareholding of West Atlantic AB (publ) which was formalised on January 4th 2014. The formed partnership will lead to that two partners, with established and complimentary capabilities will see their respective skillsets as being well aligned to support the market demand.

Ownership and control

At December 31, 2014 there were three shareholders which each owned or controlled more than 10 % of the voting rights for all shares in the Company. In falling order of voting rights Dr Göran Berglund controlled 37.3 %, Air Transport Service Group Inc. controlled 25.0 % and CEO and President Mr Gustaf Thureborn controlled 19.0 %.

Dividend policy

The Group's dividend policy aims to, from a long term perspective, facilitate a good return on equity for the shareholders and at the same time enable the continued development of the Group's business.

FINANCING AND CAPITAL MANAGEMENT

Financing

The Group is primarily funded by the issued corporate bond loan subject to trade on NASDAQ in Stockholm. Listing date was April 11, 2014. The instrument is listed as WEST001 and the number of instruments issued are 500 with a nominal value of TSEK 1,000 each. For terms and conditions of the corporate bond loan, please see the website (www.westatlantic.eu). The Group further uses aircraft leasing, aircraft loans, overdraft credit facilities as sources of funding.

Cash and cash equivalents

Cash and cash equivalents including non-utilised bank overdraft at the end of the period amounted to TSEK 67,627 (124,562).

WORK OF THE BOARD OF DIRECTORS

Board composition and work plan

The West Atlantic Board of Directors consists of five members which are all appointed at the Annual General Meeting (AGM). The work of the Board of Director's is governed by the Swedish Companies Act, the articles of association, the Swedish Corporate Governance Code and the work plan adopted by the board each year. The formal work plan regulates the division of the

Board's work between the Board and its Committees as well as among the Board, its Chairman and the President. This procedure is evaluated each year. The Board and AGM appoints from among its members and other parties the members of the Board's three committees, the Remuneration Committee, the Audit Committee and the Nomination Committee.

Meetings 2014

The Board held eleven meetings during the fiscal year of 2014. The Board discussed the regular business items presented at the respective meetings, such as business and market conditions, risk assessment, financial reporting and follow-up, the financial position and investments. The Board discussed matters involving flight safety work, internal control, the work of the Board, the year-end report, interim reports, strategy and business plans as well as the budget. The work plan constitutes that the board shall hold at least 6 meetings per annum.

Remuneration policy

West Atlantic shall offer its management and key employees a remuneration reflecting market terms, company performance and individual performance. The remuneration shall ensure that management and shareholder goals are aligned. Remuneration to the President is to be decided by the Board within the framework of approved policies following preparation and recommendation by the Remuneration Committee. Remuneration of other senior executives is decided by the President.

RISKS AND UNCERTAINTIES

Risk profile

West Atlantic is exposed to a number of risks that potentially could have a material adverse effect on the Group's future, income and/or financial position. West Atlantic actively strives to identify and reduce risk. Below is a non-exhaustive list of risks, without regards to the level of significance, which the Group considers to be material:

- *Financial market instability*
- *Fluctuations in foreign exchange rates and fuel prices*
- *Market and political risks*
- *Operating risks*

Financial market instability

Aircraft operations, leasing and maintenance are capital intensive industries. West Atlantic relies on a solid long term funding position to be able to conduct and expand operations efficiently. Instabilities on financial markets is a risk the Group has identified and counters by securing long term funding. The corporate bond loan, issued in 2013, has been important for securing this long term funding. On the contrary, as the corporate bond loan falls due on May 8, 2018 the Group could potentially be exposed to liquidity risk in connection with the refinancing of TSEK 500,000.

Fluctuations in foreign exchange rates and fuel prices

One of the most apparent risks is foreign currency risk. The Group is exposed to foreign currencies (primarily GBP, EUR, USD and NOK) but also jet fuel prices. A majority of the Group's revenues are denoted in foreign currency. The Group mitigates foreign exchange and fuel fluctuation risks primarily by customised customer contracts. For the national mail organisations the risks are transferred and/or shared directly with the customer. In the express market West Atlantic operates mostly on an ACMI-basis (whereby the customer pays direct operating costs such as fuel). In summary, West Atlantic obtains a low operational risk for fluctuations in currency and fuel in spite of significant exposure.

Market and political risks

Market and political risks include shifts in demand, increase in costs and other factors that significantly may impact the Group's financial position. West Atlantic identifies several political risks that can have an adverse impact on income and financial position. The most important being changes in regulations in overnight mail delivery. Further risks are environmental taxes (an example being the EU ETS system) or regulatory changes concerning aviation or aircraft manufacturing and maintenance thereof.

Operating risks

As airlines, the subsidiaries West Air Sweden AB and Atlantic Airlines Ltd. are exposed to operating risks. Such risks are managed by strict regulations to which both airlines are required to comply. All maintenance and airworthiness activities are carried out under the applicable permissions (Part 145, Part M). During more than 40 years of operations West Atlantic has never been involved in a serious accident.

For a more detailed summary of risks and uncertainties please see note 30 of the Group report.

LEGAL ISSUES

Apart from the ongoing legal process in France, mentioned under significant events, West Atlantic is not further part of any legal processes having a material effect on the Group's financial position or income.

ENVIRONMENTAL INFORMATION

The Group's subsidiary West Air Sweden AB has a reporting obligation in accordance with the Swedish Environmental Code, which concerns limited handling of oils that do not require permission. The aircraft fleet consists mainly of second generation turboprop aircraft, which are substantially more environmentally friendly from a noise, fuel consumption and CO_2 perspective compared to the first generation. During 2012 the trading of emissions allowances within the European Union started.

TRANSACTIONS WITH RELATED PARTIES

Transactions between the company and its subsidiaries have been eliminated in the Group consolidated reports. These transactions, including any transactions with affiliated companies, are made on current market terms. The Group has further made several transactions with other related parties, all of these are listed and described in note 32 of the Group report. All transactions with other related parties are made on current market terms and based on the principle of arm's length.

SIGNIFCANT EVENTS AFTER CLOSING DATE

Norwegian Mail contract signed

Posten Norge A/S – the Norwegian Postal Service – and West Atlantic AB (publ) agreed to a new contract for domestic air transportation of mail in Norway. The new agreement begins in August 2015 and expires in July 2020 with an option of an additional three more years. The agreement consist of an unchanged operating network compared to current agreement.

Increased bank credit facility

In January West Atlantic increased its bank engagements by a credit facility of TSEK 40,000. The funding is primarily earmarked for operational investments for B767 operations.

First commercial flight for the Group's B767

The first B767 aircraft arrived at Birmingham Airport in February to undergo the final inspections prior to entering service. The aircraft also entered into service with its first commercial flight taking place on April 7. The aircraft is being held under an operating leasing agreement.

Listing on NASDAQ Stockholm

The Board of West Atlantic AB (publ) has decided to explore the possibility of listing the shares in the company on Nasdaq Stockholm. Carnegie Investment Bank has been appointed as financial advisor and Gernandt & Danielsson as legal advisor. As of this report, this evaluation is still ongoing.

OUTLOOK

The strategy for 2015 is primarily to expand into B767 operations by one to three aircraft during 2015 combined with a continued growth in the B737 market. The outlook for the BAe ATP operations remain stable.

Seasonal effect

As part of the air cargo market West Atlantic is exposed to seasonal effects. The main driver of the effect is the operating calendar. Other factors include holiday season and winter operations. Seasonal effects impact the Group's financial position and income during the course of a calendar year.

ACCOUNTING PRINCIPLES

Accounting principles and other financial information can be found in note 1 of the Group report. This report is the first annual report prepared by the Group in accordance with IFRS.

PARENT COMPANY

About the parent company

The parent company is the contracting party for a significant part of the Group's operations but does not perform any airfreight services. The Company subcontracts subsidiaries to perform the respective services. A major part of the Group's aircraft fleet is financed through the corporate bond loan issued by the parent company.

Revenue, income and financial position

Revenue increased to TSEK 581,170 (560,448), an increase of 4 % year on year. Income after tax amounted to TSEK 11,588 (18,899).

Cash and cash equivalents at the end of the period amounted to TSEK 964 (58,572), including non-utilised bank overdraft, the available cash and cash equivalents amounted to TSEK 50,964 (108,572).

FINANCIAL DEVELOPMENT

Group	*IFRS* **2014**	*IFRS* **2013**	*GAAP* **2012**	*GAAP* **2011**	*GAAP* **2010**
Revenue	1,244,278	1,072,631	1,141,729	837,713	694,306
EBT	21,601	38,805	64,780	46,864	4,690
Total assets	1,084,753	1,043,333	642,849	674,017	518,947
E/A ratio	21.51%	21.12%	36.77%	27.37%	27.36%
Employees	472	451	439	264	261
Parent company					
Revenue	581,170	560,448	524,013	345,507	96,434
EBT	11,588	18,899	11,003	8,412	414
Total assets	579,233	593,604	339,280	267,587	147,654

Please note that only 2014 and 2013 have been stated according to IFRS. For the transition to IFRS please see note 34 of the Group report. The increase in assets in 2011 as well as revenue and staff in 2012 is primarily attributable to the acquisition of Atlantic Airlines Ltd. Moreover, the increase in total assets for the Group and parent company for 2013 is primarily attributable to the issue of the corporate bond loan.

DIVIDEND

The Board of Directors proposes to the 2015 AGM that no dividends be paid to holders of West Atlantic shares for the 2014 fiscal year. This proposal is based on the Group's financial position, current market outlook, planned investments in the aircraft fleet and B767 operation start.

PROPOSED DISPOSITION OF EARNINGS

The following Parent Company earnings are available for disposition by the AGM:

TSEK	
Retained earnings and unrestricted reserves	13,665
Net income for the year	11,588
Total unrestricted equity	**25,253**

The Board of Directors proposes that the earnings be allocated as follows:

TSEK	
Retained earnings and unrestricted reserves	25,253
Total	**25,253**

Consolidated statement of income and other comprehensive income

	Note(s)	Jan-Dec 2014	Jan - Dec 2013
Revenue	2, 3	1,244,278	1,072,631
Cost of services provided		-1,124,472	-965,701
Gross income		**119,806**	**106,930**
Cost of sales		-8,601	4,444
Administrative costs		-43,736	-51,067
Other operating income	4	24,662	26,792
Other operating costs	5	-1,922	-2,830
Operating income	6, 7, 8, 9, 11	**90,209**	**84,269**
Financial income	10	8,605	13,363
Financial costs	10	-77,213	-58,827
Income before tax		**21,601**	**38,805**
Income tax	12	-11,017	-3,631
Net Income		**10,584**	**35,174**
Attributable to:			
- Shareholders of the Parent Company		**10,584**	**35,174**
Earnings per share (SEK)		0.39	1.30
Statement of other comprehensive income			
Net income		**10,584**	**35,174**
Other comprehensive income			
Items that may be classified as net income			
Exchange-rate differences in translation of foreign operations		2,300	-97
Total comprehensive income for the year		**12,884**	**35,077**
Attributable to:			
- Shareholders of the Parent Company		12,884	35,077

Financial comments on consolidated statement of income

Revenue for the period amounted to TSEK 1,244,278 (1,072,631), an increase of 16 % year-on-year. The increase in revenue is mainly attributable to the Group's continuous B737 expansion with three additional B737 aircraft in service during the year. In addition favourable movement of the GBP and USD against SEK combined with increased utilisation of the BAe ATP fleet contributed to the increase in revenue.

Adjusted EBITDA increased to TSEK 224,412 (203,810). The increase in Adjusted EBITDA was primarily attributable to additional B737 aircraft in operations and one deployed B737 on a long term dry lease agreement. Adjusted EBITDA included income from aircraft sales of TSEK 29,343 (27,366) following two successful transactions generated by the Group's collaboration arrangement with Erik Thun.

	2014	2013
EBITDA	183,865	162,691
Aircraft operating lease costs*	21,286	25,396
Introduction costs of B767/B737-400	15,780	605
Net provisions France	3,481	10,213
Cost of sale of subsidiary	-	7,017
Other non-recurring items	-	-2,112
Adjusted EBITDA	**224,412**	**203 810**

** As a portion of the Group's financing arrangements consist of aircraft leasing agreements, the Group reverses operating lease costs in Adj. EBITDA to reflect the operational performance independent of whether the agreements are construed as finance or operating leases.*

Adjusted EBITDA excluding income from aircraft sales and collaboration arrangement amounted to TSEK 195,069 (176,444).

EBITDA increased to TSEK 183,865 (162,691) but was largely impacted by significant non-recurring costs, primarily the introduction of the B737-400 and B767 aircraft types combined with minor provisions for the ongoing legal process in France referenced in the Board of Director's report for the year. Total non-recurring items amounted to TSEK 19,261 (15,723).

Operating income (EBIT) amounted to TSEK 90,209 (84,269) but was primarily impacted by aircraft impairment of TSEK 4,992. Excluding non-recurring items and aircraft impairment EBIT increased by TSEK 18,008 primarily driven by mentioned increased airfreight operations.

Income before tax amounted to TSEK 21,601 (38,805) but was largely impacted by increased financial costs from non-realised foreign exchange losses on financial leasing agreements of TSEK 13,751 (0) combined with decreased financial income of TSEK 9,862 from the sale of a subsidiary in 2013.

The increase in income tax year-on-year mainly refers to deferred taxes. The main difference is due to non-current asset timing differences and increased untaxed reserves in UK and Sweden. Income after tax amounted to TSEK 10,584 (35,174).

Consolidated statement of financial position

	Note(s)	2014-12-31	2013-12-31	2013-01-01
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	13			
Goodwill		-	188	188
Licenses and IT system		1,165	2,170	3,528
		1,165	**2,358**	**3,716**
Tangible assets	14			
Aircraft and components		714,107	618,970	451,966
Equipment, tools and installations		6,751	4,419	1,469
		720,858	**623,389**	**453,435**
Financial assets				
Shares in associated companies	15	1,067	1,067	1,157
Non-current financial receivables	16	14,306	22,613	15,726
Deferred tax receivables	12	-	5,109	6,433
		15,373	**28,789**	**23,316**
TOTAL NON-CURRENT ASSETS		**737,396**	**654,536**	**480,467**
CURRENT ASSETS				
Inventories				
Spares and necessities		102,546	105,086	101,522
Advances to suppliers		18,172	11,473	5,368
		120,718	**116,559**	**106,890**
Other current assets				
Intangible current assets	17	2,938	503	-
Trade receivables	18	133,412	107,075	93,538
Tax receivable	12	6,962	3,905	4,699
Other receivables	19	18,511	39,013	56,705
Prepaid costs and accrued income	20	30,914	30,905	22,076
		192,737	**181,401**	**177,018**
Cash and cash equivalents	21	17,627	74,562	39,957
TOTAL CURRENT ASSETS		**331,082**	**372,522**	**323,865**
Assets held for sale	22	16,275	16,275	5,211
TOTAL ASSETS		**1,084,753**	**1,043,333**	**809,543**
EQUITY AND LIABILITIES				
EQUITY	23			
Share capital		27,005	27,005	27,005
Reserves		2,203	-97	-
Profit brought forward including net income		204,089	193,435	169,063
TOTAL EQUITY		**233,297**	**220,343**	**196,068**
NON-CURRENT LIABILITIES				
Loans	25	507,372	509,062	80,699
Other non-current liabilities	25	81,346	67,962	161,079
Deferred tax liabilities	12	41,039	37,027	36,114
Provisions	26	12,618	10,812	-
		642,375	**624,863**	**277,892**
CURRENT LIABILITIES				
Bank overdraft	27	-	26,776	33,384
Short term part of non-current loans	25	4,531	5,645	54,551
Trade payables		111,116	73,207	92,261
Tax liabilities	12	604	1,479	7,014
Derivative instruments		-	2,556	1,139
Other current liabilities	25, 28	32,298	31,138	79,925
Prepaid income and accrued costs	29	60,532	57,326	67,309
		209,081	**198,127**	**335,583**
TOTAL EQUITY AND LIABILITIES		**1,084,753**	**1,043,333**	**809,543**
Pledged collaterals	31	see note	see note	see note
Contingent liabilities		-	-	-

Financial comments on consolidated statement financial position

Investments
Investments in tangible non-current assets amounted to TSEK 220,820 (270,660). The amount includes a purchase of one B737-400 as well as a reclassification from inventories. In addition to investments in non-current assets the Group has taken delivery of two B737 aircraft on long term operating lease agreements. Investments in intangible non-current assets amounted to TSEK 0 (0). Investments in financial non-current assets amounted to TSEK 3,835 (2,698).

Sales of non-current assets
Payments from financial non-current assets including received interests amounted to TSEK 18,558 (1,906). During the period two aircraft have been sold. The remuneration amounted to TSEK 17,176. The net profit from these sales amounts to TSEK 8,074. Concerning the accounting principles for sales of aircraft, please see note 1, accounting principles, p 1.4.

Impairment of non-current assets
During the period an impairment of a long term parked aircraft has been made which amounted to TSEK 4,992.

Financial position and financing
Cash and cash equivalents at the end of the period amounted to TSEK 17,627 (74,562), including non-utilised bank overdraft, available cash and cash equivalents amounted to TSEK 67,627 (124,562). Equity amounted to TSEK 233,297 (220,343) and the equity to asset ratio amounted to 21.5% (21.1). Net interest bearing liabilities amounted to TSEK 575,503 (538,041).

Consolidated statement of changes in shareholders' equity

	Note(s)	Share capital	Reserves	Profit brought forward	Total shareholders' equity
Opening balance per Jan 1, 2013	34	27,005	108,016	105,266	**240,287**
Effect of IFRS transition	34	-	-108,016	63,797	**-44,219**
Opening balance IFRS Jan 1, 2013		**27,005**	**-**	**169,063**	**196 068**
Total comprehensive income for the year		-	-97	35,174	**35,077**
Dividend paid		-		-10 802	**-10,802**
Closing balance Dec 31, 2013		**27,005**	**-97**	**193,435**	**220,343**
Opening shareholders' equity, Jan 1, 2014		27,005	-97	193,435	**220,343**
Total comprehensive income for the year			2,300	10,584	**12,884**
Group adjustments*				70	**70**
Closing balance Dec 31, 2014*		**27,005**	**2,203**	**204,089**	**233,297**

** Group adjustment for foreign subsidiary due retroactive change 2013*

Consolidated statement of cash flows

	Note(s)	Jan - Dec 2014	Jan - Dec 2013
Operating activities			
Operating income		90,209	84,269
Adjustments for non-cash items including changes	21	121,778	73,020
Income tax paid		-5,828	-5,898
Cash flow from operating activities before changes in working capital		**206,159**	**151,391**
Change in inventories		-17,430	-9,669
Change in short term receivables		-10,557	-6,108
Change in short term liabilities		48,896	-52,328
Change in assets held for sale		-	-11,064
Cash flow from operating activities		**227,068**	**72,222**
Investing activities			
Changes in investments in associated companies		-	90
Acquisition of aircraft and components	14	-203,606	-268,396
Acquisition of other tangible fixed assets	14	-3,943	-2,264
Sale of aircraft and components		2,176	13,321
Investments in financial fixed assets		-3,835	-2,698
Sale of financial fixed assets		18,101	-
Interest received	21	457	1,906
Cash flow from investing activities		**-190,650**	**-258,041**
Financing activities			
Corporate bond loan issue		-	500,000
Amortisation on loans and changes in bank overdraft		-32,219	-132,591
Change in other non-current liabilities		-366	-93,117
Interest paid	21	-59,458	-43,257
Dividend paid		-	-10,802
Cash flow from financing activities		**-92,043**	**220,233**
Cash flow for the year		**-55,625**	**34,414**
Cash and cash equivalents at beginning of period		74,562	39,957
Effect of exchange rate changes on cash and cash equivalents		-1,310	191
Cash and cash equivalents at end of the year	**21**	**17,627**	**74,562**

Financial comments on consolidated statement of cash flow

Cash flow from operating activities before changes in working capital for the period amounted to TSEK 206,159 (151,391). Cash flow from changes in net working capital amounted to TSEK 20,909 (-79,169). The main reason for the increase in cash flow is decreases in net working capital, primarily trade receivables and other receivables. In addition, during the last year significant amortisations of short term liabilities were made. Changes in interest bearing liabilities amounted to TSEK -32,585 (274,292). The total cash flow for the period amounted to TSEK -55,625 (34,414). The lowered cash flow year-on-year is mainly attributable to the purchase of one B737-400 in Q1, 2014 and the issue of the bond loan in 2013.

Group notes

Note 1 – Significant accounting policies

1.1 Accounting principles

The consolidated financial statement has been prepared in accordance with the Swedish Annual Accounts Act, the International Financing Reporting Standards (IFRS) and interpretations as adopted and approved by the EU, prior to 2014-12-31. Further, the Group also applies the recommendation from the Swedish Financial Reporting Board, RFR 1, supplementary accounting rules for groups. This recommendation specifies the supplements to the IFRS-notes that are deemed according to the rules in the Swedish Annual Accounts Acts.

In the Group's consolidated accounts assets and liabilities are valuated at acquisition values, unless otherwise stated.

The most essential applied accounting principles for the Group are presented in this note. For essential assessments and evaluations, please see note 33.

IFRS standards and interpretations that have come into effect 2014 affecting the Group's financial statements

IFRS12 Disclosure of interest in other entities is a new standard for disclosures of investments in entities, joint arrangements, associated companies and investments in other entities which are not consolidated. This standard affect the Group's annual financial statements in the way that extended information are given about shares in associated companies.

New IFRS standards and interpretations that have not yet come into effect

IFRS9 Financial instruments handles the classification, valuation and accounting of financial assets and liabilities. It replaces the parts of IAS39 that handles classification and valuation of financial instruments. This standard is not assessed to have a significant impact for the Group.

IFRS15 Revenue from contract with customers. This standard may have an impact for the Group. A complete analysis of the effects has not yet been done.

1.2 Group consolidated accounts, business combinations and goodwill

Subsidiaries

The Group's consolidated accounts contains subsidiaries where the parent company directly or indirectly controls more than 50 per cent of the voting shares and where the shares are determined to be material, or in any other way possess controlling influence of the entity. Subsidiaries are included in the Group's consolidated accounts from the date of transfer of controlling influence to the Group and are consequently excluded from the accounts from the date of transfer of controlling influence from the Group.

Associated companies

Associated companies are companies of which the Group has a significant, but not controlling influence. This normally means between 20-50 per cent of the voting shares. Interests in associated companies are accounted according to the equity method and are originally valuated at acquisition value. At the date of the transition to IFRS, 2013-01-01, this acquisition value was equal to the recorded value according to prior accounting principles. The Group's part of the profit from the associated company, which occurred after the mentioned date, is recorded in the income statement and as a change in value of the investment. Further, other changes in equity of associated companies are recorded as a change in the value of the investment.

Business combinations are recorded in accordance with the acquisition accounting method. The purchase price consists of the fair value of the acquired assets, liabilities and the potential shares issued by the Group on the acquisition date. Direct acquisition costs are continuously expensed. Note that the Group in connection with the transition to IFRS applied permitted exemption from retroactive appliance of IFRS3.

The amount exceeding the fair value of the Group's share of the acquired entity's net assets at the time of acquisition is recognised as goodwill.

Group internal transactions and balances, including non-realised profits and losses between Group companies, are eliminated. The accounting principles of subsidiaries are adjusted to harmonise with Group principles.

1.3 Statement of cash flow

The cash flow statement is prepared in accordance with the indirect method, meaning that the operating income is adjusted for transactions not affecting cash flow for the period, as well as income and cost deriving from financing or investing activities. In almost all cases, revenue from sale of aircraft are included in the operating income, and not as sales of tangible fixed assets.

1.4 Accounting of revenue

Air freight services

The majority of the Group's revenue comes from air freight services with customised aircraft. Accounting of revenue occur when such freight service has been carried out. The Group's revenue from air freight services mainly derives from long term agreements. Performed, but not invoiced, air freight services are recognised in the balance sheet at the estimated invoice value.

Technical services, sale of spare parts and aircraft

Revenue from aircraft technical services are recorded when the service has been carried out and is based on contractual terms.

For sale of parts and components revenue is recorded at the time when risks and benefits from ownership are transferred from the Group, the Group is no longer in control of the component, reliable estimations of revenue and outstanding expenses can be made and it is probable that the financial benefits of the sale will be realised by the Group. Revenue is based on contractual terms.

For aircraft sales the risks and benefits from ownership are transferred from the group when a bill of sale is signed, which often corresponds with the actual delivery date of the aircraft. At such time revenue from sale of aircraft is recorded. In almost all cases, the revenue corresponds to the received remuneration from the sale. The costs for the disposal is recorded as cost of services provided.

Aircraft leasing

Aircraft leasing revenue is recorded according to agreement on a monthly basis.

Interest income and costs

Where the effective interest method is applicable, interest income and cost are allocated over the duration of financial asset or liability.

1.5 Foreign exchange

The Group's legal entities applies local currency as functional currency. The Group's consolidated accounts are prepared and reported in Swedish Krona (SEK), which is the functional currency of the Parent Company. All figures in this report is rounded to Swedish Krona thousands (TSEK).

Transactions and balance sheet items

Transactions in foreign currency are translated to functional currency with daily applicable exchange rates. At the time of closing of accounts all monetary items in foreign currency are translated to applicable closing date exchange rates. Foreign exchange currency differences are recorded in the statement of income. Non-monetary items in foreign currency, which are valued at acquisition value, are not translated into functional currency.

Translation of Group companies

When preparing the consolidated accounts Group companies' assets and liabilities are translated into reporting currency (SEK) at applicable closing date exchange rates. Transactions affecting revenue and costs are translated into reporting currency using the average foreign exchange rates for the year to date reporting period. Translation differences from income and equity are recognised in the income statement as other comprehensive income and in the statement of financial position as translation reserves. All exchange rates applied in the preparation of the Group consolidated accounts and financial reporting are published by the Swedish Central Bank (Riksbanken).

1.6 Intangible assets

Licenses and IT-systems

Intangible fixed assets are recognised when the following criteria is met:

- the asset is separable from the company and can for instance be transferred or leased out
- the asset derives from contractual and/or legal rights
- the company is in control of the asset, defined as being able to obtain future financial benefits from the asset
- the asset has an expected future positive return

The Group capitalise such costs as intangible fixed assets when it is probable that the asset has an expected positive future return, either in form of cost savings or other benefits from to the use of the asset, and a reliable estimate of the acquisition value can be made.

Intangible fixed assets are recorded at acquisition value less accumulated depreciation and applicable impairment.

Licenses and IT systems have a depreciation plan of five years.

1.7 Tangible assets

Tangible fixed assets are valued at acquisition value less accumulated depreciation and applicable impairment. The acquisition value consists of direct acquisition costs. The majority of the Group's tangible fixed assets contains aircraft and adhering aircraft components with an estimated economical life exceeding one year. Additional costs such as aircraft modifications, engine overhauls and structural inspections increase the acquisition value of the aircraft when it is probable that the asset has an expected positive future return, either in the form of cost savings or other benefits from the use of the asset, and a reliable estimate of the acquisition value can be made. All other recurring aircraft maintenance costs are continuously expensed.

Components of tangible fixed assets which are determined to have a significant value, or a different economical lifetime compared to the asset itself, are depreciated separately according to special plan.

The aircraft acquisition value, reduced by the determined residual value, is depreciated linearly over the useful life of the aircraft. Other tangible fixed assets are depreciated linearly over the asset's useful life. The following depreciation plans are applicable:

-	Aircraft, all types	15 years
-	Aircraft modifications	10 years
-	Aircraft components	10 years
-	Engine overhauls and structural inspections	2-7 years
-	Fixture and fittings, equipment and tools	5 years

Profit and loss from sales or disposals of tangible fixed assets is the difference between sale price of the asset and net book value and is recorded as gross income. For further information on accounting of aircraft sales, please see p 1.4.

1.8 Tangible assets held for sale

The Group applies IFRS5, tangible fixed assets held for sale, meaning that the Group reclassifies assets from tangible to held for sale when a decision is made to sell the asset. Further, assets acquired with the sole intention to sell are recognised as held for sale.

1.9 Impairment of non-financial assets

The Group reviews the recorded balances for tangible and intangible fixed assets at closing date to assess if there are indications of impairment needs. If such indications exist, the recoverable amount of the asset is calculated and compared to the recorded value per closing date. The recoverable amount is defined as the highest of fair value of the asset reduced by expected cost of sales, or the utility value. The Group primarily defines the recoverable amount as the utility value which is calculated with a cash flow forecast model where the expected future cash flow derived from the asset is discounted with the applicable discount rate, providing a net present value.

An impairment is made corresponding to the amount that the net book value exceeds the recoverable amount.

1.10 Collaboration arrangement

The Group is part of a collaboration arrangement for aircraft management and leasing activities with an external party (collaboration-partner). The agreement includes a certain number of aircraft, controlled by the collaboration partner, which are leased to third parties. The Group has the management responsibility for the aircraft leases, under the terms of the collaboration arrangement. When a leasing contract expires, a decision is made together with the collaboration partner either to prolong the existing agreement, draft a new agreement or to sell/dispose of the aircraft. The Group's full revenue for the management services is invoiced and received in connection with the sale/disposal and consists of a financial settlement drawn up by the collaboration partner. The settlement is based on several factors, such as the leasing revenue, capital costs including exchange rate differences, the recorded value of the asset and the net sale value. The Group carries risks and benefits for significant changes in the above mentioned factors which affects the amount of management revenue. The Group has no title to the aircraft and records the income in the income statement as other operating income when the management responsibility for an aircraft ends.

The Group continuously assesses if the costs significantly may exceed the expected future revenue from the collaboration arrangement as a whole, according to the rules for an onerous contract.

1.11 Leasing

The Group classifies leasing agreements as either finance or operating. Leasing of tangible fixed assets where the Group, according to the lease agreement, controls the financial risks and benefits of the asset, are classified as a finance lease. An example of such control is when an agreement contains a preferable purchase option and/or where the present value of the minimum future lease payments amounts to the market value of the asset. The finance leasing assets are valued at lowest of fair value or present value of the future minimum lease payments. Corresponding payment obligations are recorded as a liability. Lease payments are divided into amortisation and financial costs.

The liability is included in other liabilities, non-current and current. The financial costs are recorded in the income statement allocated over the lease duration, meaning that every period is charged with an amount corresponding to a fixed interest rate of the current liability for the period. Tangible fixed assets acquired through finance leasing agreements are depreciated over the useful life of the asset. The finance lease agreements mainly concern aircraft and components.

Agreements which are not classified as finance leasing according to above are classified as operating leasing agreements.

1.12 Inventories

Materials and aircraft parts with a useful life not exceeding one year, are defined as consumables, and are recognised as inventories. Aircraft parts are held to replace non-repairable parts currently fitted onto the aircraft fleet. Inventories are valued according to the lowest of acquisition value and net realisable value. The acquisition value is calculated by applying the first in-first out method (FIFO). The net realisable value is the estimated sale value reduced by the estimated cost of sales.

1.13 Financial instruments

Acquisitions and sales of financial assets are recorded on the transaction date, which corresponds to the date when the Group obliges to acquire or sell the asset. Financial instruments are at the time of acquisition recorded at the fair value adjusted for transaction costs in the statement of financial position and the transaction cost are recorded in the income statement. Financial instruments are at the following reporting date recorded at the deferred acquisition value or fair value depending on the initial classification, in accordance with IAS39. At the initial recording date a financial asset or liability is classified in the following categories: financial assets and liabilities valuated at fair value in the income statement, loan receivables and account receivables and other financial liabilities.

Financial assets and liabilities valued at the fair value in the income statement
This category contains derivative instruments (foreign exchange forward contracts), which are assets and liabilities. The instrument is valued at fair value initially and continuously until the end of the agreement, either as a short or long term asset/liability depending on the remaining duration of the instrument. These are valued at fair value level two, according to published exchange rates at the closing date. Profit or loss from revaluation is recorded in the income statement as financial income/cost according to IAS39 p55. When the Group intends to settle a financial liability or realise a financial asset with another financial asset or liability these are recorded at the net amount. At December 31, 2014 the Group has no remaining financial items valued at fair value in the income statement.

Loan receivables and trade receivables
This classification contains trade receivables, cash and cash equivalents and long and short term receivables. Loan receivables and account receivables are included in current assets with the exception of items with a duration in excess of one year from reporting date, these items are classified as financial fixed assets. Long term receivables are recorded, following the time of acquisition, at the deferred acquisition value by applying the effective interest method. For long term receivables the calculated change in value (the effective interest) is recorded as an interest income or cost allocated over the expected duration of the asset. Current assets such as trade receivables, short term receivables and cash and cash equivalents are recorded at nominal value.

The Group assesses, at the time of each closing, if there are objective indications of impairment for a financial asset. A financial asset is impaired only if there are objective indications of an impairment based on one or several events taking place after the time of the asset being originally recorded, the events are expected to have an impact on expected cash flow and the effect can be reliably estimated. The impairment is calculated as the difference between recorded value and the present value of future cash flows, discounted by the original asset's effective interest. The impaired amount is recorded in the Group's income statement. If the required impairment need is reduced in a following reporting period, following one or several occurred events after the date of impairment, the balance will be resolved through the Group's income statement.

Other financial liabilities
This category contains loans payable, trade payables, bank overdraft and other long and short term liabilities. Financial liabilities are recorded at the deferred acquisition value by applying the effective interest method, with the exception of trade payables and other short term liabilities. Potential differences between principle amount reduced by transaction costs and outstanding liability is recorded in the income statement allocated over the duration of the liability.

1.14 Current receivables

Trade receivables, other short receivables and intangible current assets are recorded as short term receivables, if the remaining duration is expected to be less than one year.

Intangible current assets
Intangible current assets contains emission allowances. Purchased allowances are initially recorded at acquisition value according to IAS38. These are revaluated to fair value at the time of closing based on market prices. The Group has the obligation to deliver allowances to the EU following a reconciliation of made emissions for the period. Estimated emissions during the reporting period are recorded as an accrued liability and a cost in the income statement.

1.15 Provisions

Provisions are recorded when the Group has an actual obligation (legal or non-formal) as a result of an occurred event, it is deemed probable that an outflow of resources from the Group is required to settle the obligation and a reliable estimation of the amount can be made. The amount provisioned at the reporting date constitutes the most reliable estimation of the amount required to settle the obligation with respect to risks and uncertainties.

The Group records actual provisions as long or short term liabilities depending on the estimated date of outflow of resources. The actual provisions are recorded at the nominal amount, due to that discounting of the provisions will not result in a significant difference in amounts based on the expected time of settlement.

1.16 Contingent liabilities

Contingent liabilities are not recorded in the statement of financial position, but included as a disclosure when there is a potential obligation as a result from an occurred event which is confirmed by one or several uncertain future events, or when there is an obligation not recorded as a liability or provisions due to that it is not probable that an outflow of resources from the Group are required and the amount can't be reliably estimated.

1.17 Income taxes

Recorded income taxes are taxes that will be paid or received in connection to the current year, adjustment for taxes in connection with previous years and changes in deferred taxes. Valuation of mentioned tax receivables/liabilities are according to nominal amounts and applicable tax regulations and rates, which are confirmed or reliably estimated. Tax effects in connection with items recognised in the income statement are recorded in the income statement. Tax effects in connection with items recognised in equity are recorded in equity. Deferred taxes are calculated according to the balance sheet method on temporary differences that occur between recorded and taxed values on assets and liabilities. Deferred tax receivables concerning loss carry forward or other future tax deductions are recorded to the amount it is deemed probable it can be settled against future tax surpluses.

Deferred tax receivables and liabilities are netted when there exists a legal right to net actual tax receivables and liabilities and when the deferred taxes are charged by the same tax authority.

1.18 Remunerations to employees

Remunerations to employees in form of salaries, holiday pay, sick pay, other remunerations and pensions are continuously recorded at the time of entitlement. Pensions and other remunerations concerning the time after the end of employment are classified as defined contribution plans, meaning that the Group pays fixed charges to an independent pension institution and has no further obligation to pay additional charges. The Group's income is charged with costs continuously at the time of entitlement which normally corresponds to the time of premium payment.

1.19 Business segment

West Atlantic operates a functional organisation independent of geographical concentration of management. The Group performs services all over the European area and only reports one operating segment "airfreight services", which is consistent with the internal reporting to highest executive management, the board of West Atlantic AB (publ). In addition to airfreight services the Group is involved in transactions which may be partly independent from the primary operating segment. These transactions are neither recurring nor meet the criteria of materiality to be characterised as separate segments. These transaction are recorded as other services. Examples of such transactions are aircraft maintenance services to third party, management revenue from collaboration arrangements and sale of aircraft. Based on above, no other business segment are reported in accordance to IFRS 8, but only total comprehensive income for the Group.

Note 2 – Revenue

	2014	2013
Air freight services	1,145,282	991,637
Technical services	59,372	52,993
Sale of aircraft and spare parts	15,350	17,941
Aircraft leasing	14,491	1,155
Other revenue	9,783	8,905
Total	**1,244,278**	**1,072,631**

Note 3 – Report by services

Financial data by type of service

	Airfreight services		Other services		Group Total	
	2014	2013	2014	2013	2014	2013
Revenue*	1,157,860	1,003,534	111,080	95,889	1,268,940	1,099,423

** Incl. other operating income*

Financial data per customer

During 2014 the Group serviced four customers which individually accounted for more than 10 % of the Group's total revenue. These four customers accounted for 65 % the total revenue during 2014.

Financial data per geographical area

	Nordic*	UK	Europe	Total
Revenue**	611,945	489,948	167,047	1 268,940
Fixed asset allocation (including tangible and intangible)	376,291	258,420	87,311	722,022

** Sweden, Norway, Denmark*
*** Including other operating income*

Note 4 –Other operating income

	2014	2013
Operating foreign exchange currency gains	3,392	2,701
Income from collaboration arrangement	16,574	5,692
Allocated profit sale of aircraft	4,696	18,399
Total	**24,662**	**26,792**

Note 5 – Other operating costs

	2014	2013
Operating foreign exchange currency losses	1,922	2,830
Total	**1,922**	**2,830**

Note 6 – Operating costs

	2014	2013
Salaries and other remuneration	315,354	280,548
Direct operating expenses*	196,317	164,544
Maintenance costs	177,496	118,222
Jet Fuel	145,104	136,249
Depreciation	93,656	78,422
Other production costs	248,882	234,339
Other operating costs	1,922	2,830
Total	**1,178,731**	**1,015,154**

** Consists of Landing, navigation and handling charges*

Note 7 – Staff, staff costs and directors remuneration

Annual average employees

	Total		whereof men	
	2014	2013	2014	2013
Parent company, Sweden	-	-	-	-
Subsidiaries				
United Kingdom	256	225	235	213
Sweden	102	99	83	83
Luxembourg	66	96	64	87
Norway	21	21	21	21
Denmark	15	3	15	3
France	12	7	12	7
Total	**472**	**451**	**430**	**414**

Share of women in Board of Directors and Senior Management

	2014	2013
Board of directors	-	-
Senior management	12 %	12 %

Staff costs, other remunerations and social costs

	Salaries and Remuneration		Social costs	
	2014	2013	2014	2013
Subsidiaries	239,134	212,874	49,827	42,622
whereof pension charges	-	-	18,541	12,423
Total	**239,134**	**212,874**	**68,368**	**55,045**
whereof pension charges	-	-	***18,541***	***12,423***

In the Group's pension charges for the year TSEK 1,024 (869) is included for the board of directors and Group president, whereof TSEK 394 (390) is attributable to the President.

Remuneration divided among BoD / President and per country

	BoD & President		Other employees	
	2014	2013	2014	2013
Subsidiaries				
United Kingdom	3,485	2,276	119,482	94,698
whereof bonuses	152	73	-	-
Sweden	1,117	1,127	45,695	40,662
Luxembourg	-	701	43,094	57,164
Norway	-	-	12,612	11,748
Denmark	-	-	5,094	1,069
France	-	-	8,403	3,356
Total	**4,754**	**4,177**	**234,380**	**208,697**
whereof variable components	**152**	**73**	-	-

Board of directors

The 2013 AGM decided that a total remuneration of TSEK 200 should be paid to non-shareholding directors without any continuous engagements in the Group, corresponding to TSEK 100 per board member. The AGM 2014 decided that a total remuneration of TSEK 300 should be paid up until the next AGM, corresponding to TSEK 150 per board member.

During 2014 TSEK 175 has been paid to board member Mr Fredrik Lindgren.

Group President and CEO

A total remuneration, including benefits, of TSEK 1,159 (1,126) has been paid to the president and CEO Mr Gustaf Thureborn during 2014, whereof no variable components. Pension premiums have been paid according to a defined plan corresponding to 30 % of the salary. The notice period is twelve months mutual. There is no outstanding agreement for severance pay in the event that the Group terminates the employment. Retirement age is 65 years.

Senior management

For 2014 a total remuneration, including benefits, of TSEK 5,471 (4,746) has been paid to the senior management, consisting of 7 (7) persons excluding the President and CEO, whereof no variable components.

Customary pension premiums have been paid during 2014 amounting to TSEK 1,011 (751). The notice period is two months in the event that a senior manager resigns and two to six months if the termination of employment is made by West Atlantic. There are no outstanding agreements for severance pay in the event that the Group terminates the employment. Retirement age is customary 65 years.

Remuneration, variable components

Bonuses and other variable components are generally not paid by the Group. The Group has one outstanding agreement for the CEO of a foreign subsidiary which is entitled to a share of the subsidiary's annually paid dividend.

Note 8 – Remuneration to auditors

	2014	2013
Grant Thornton		
Audit	978	1,024
Auditing services in addition to audit	305	43
Tax advisory services	117	191
Other assignments	136	396
Other audit firms		
Audit	161	124
Auditing services in addition to audit	-	5
Tax advisory services	64	8
Other assignments	105	-
Total	**1,866**	**1,791**

Note 9 – Operating leases

Yearly costs of leasing

	2014	2013
Aircraft	21,286	25,396
Equipment and installations	1,718	1,598
Offices and hangars	14,307	13,286
Car leasing and other	2,699	2,363
Total	**40,010**	**42,643**

Future leasing costs and rents

Minimum operating lease obligations are due as follows:

	2015	2016-2019	2020-	Remaining lease terms
Aircraft	31,355	111,666	4,218	5-6 years
Equipment and installations	283	583	-	1-5 years
Offices and hangars	11,896	13,397	-	2-4 years
Car leasing and other	2,298	5,747	3	1-5 years
Total	**45,832**	**131,393**	**4,221**	

The leasing costs 2014 for recharged leasing objects amounts to TSEK 920 and the leasing revenue amounts to TSEK 718. The total future amounts to be paid concerning recharged leasing objects after year 2014 amounts to TSEK 0.

Note 10 - Financial income and costs

Financial income

	2014	2013
Interest income from cash and cash equivalents	432	1,448
Interest income from financial loan receivables at deferred acquisition value	4,365	1,596
Income from sale of financial loan receivables	1,228	-
Foreign exchange currency gains	24	452
Gains from market valuation of foreign exchange derivatives (FX)	2,556	-
Income from sale of West Air Luxembourg S.A	-	9,862
Other financial income	-	5
Total	**8,605**	**13,363**

Financial costs

	2014	2013
Interest costs from loans at deferred acquisition value	-45,125	-34,399
Interest costs from financial leasing	-12,745	-14,617
Interest costs from financial loan receivables at deferred acquisition value	-583	-2,415
Foreign exchange currency losses	-18,735	-1,355
Losses from market valuation of foreign exchange derivatives (FX)	-	-1,417
Write-down financial loan receivables	-	-1,301
Write-down of shareholding in Medicinkonsulterna Berglund KB	-	-2,867
Other financial costs	-25	-456
Total	**-77,213**	**-58,827**

Note 11 - Foreign exchange currency differences

Below is a statement of the foreign exchange currency differences included in the income statement with exception for differences arising from fair value valuations of financial instruments (derivatives) in the income statement, please see note 10.

	2014	2013
As operating items	1,470	-129
As financial items	-18,711	-903
Total	**-17,241**	**-1,032**

Note 12 - Taxes

	2014	2013
Recorded tax		
Current tax on profit for the year	-969	-1,024
Adjustment of previous years' current tax	-225	-29
Deferred tax from temporary differences	-1,185	1,669
Deferred tax from capitalised loss carry forward	827	-
Deferred tax from non-taxed reserves	-9,460	-4,247
Other	-5	-
Total	**-11,017**	**-3,631**

	2014	2013
Reconciliation recorded tax		
Income before tax	21,601	38,805
Swedish income tax (22 %)	-4,752	-8,537
Profit sale of subsidiary West Air Luxembourg S.A - non-taxable income	-	2,072
Dividends from subsidiaries - non-taxable income	3,701	180
Adjustment of previous years' current tax	-225	-29
Non-deductible expenses	-4,908	-2,913
Non-valued loss carry forward	-717	890
Effect of changes in tax from depreciation above plan	-	2,201
Foreign tax differences	-	170
Tax effect from pre settling financial leasing debt	-	2,126
Other deferred tax from temporary differences	-3,992	-
Other items	-124	209
Total	**-11,017**	**-3 631**

Non-valued loss carry forward is primarily attributable to the UK operations. Loss carry forwards deriving from prior to 2013, had not been valued in the balance sheet, but were partly included in the tax computation for the year. The result of this was that no income tax was recorded for the year 2013. The loss carry forward has been capitalised by the amount corresponding to what is expected to be used against future taxable income. At closing date 2014-12-31 all taxable loss carry forwards attributable to UK operations are capitalised, excluding the current year. Capitalised loss carry forward amounts to TSEK 4,463 and capitalised tax amounts to TSEK 890.

Effect of changes in tax from depreciation above plan was a onetime effect from transitioning to component depreciation for fixed assets, which led to decreased depreciation above plan in one subsidiary. This had initially not impacted deferred taxes.

The positive effect from the pre-settling of financial leasing debt was attributable to decreased deferred tax liabilities from recovered lease payments. At the time of acquisition the deferred tax liability was dissolved, leading to the positive tax effect.

Other deferred tax from temporary differences, primarily concern tangible assets.

	Deferred tax receivables		Deferred tax liabilities	
	2014	2013	2014	2013
Deferred tax in balance sheet				
Tangible assets	11,117	6,416	-51,981	-42,200
Financial assets	999	1,968	-	-
Financial leasing	-	-	-1,669	-943
Loans	528	-	-1,248	-2,912
Derivatives	-	588	-	-
Loss carry forward	890	-	-3,402	-
Recovered profit sale	3,805	5,165	-	-
Other items	-	-	-78	-
Total deferred tax	**17,339**	**14,137**	**-58,378**	**-46,055**
Netting	-17,339	-9,028	17,339	9,028
Net deferred tax	**-**	**5,109**	**-41,039**	**-37,027**

Note 13 - Intangible assets

	Goodwill	Licenses and IT Systems	Total Intangible fixed assets
Accumulated acquisition value			
Opening balance 2013-01-01	209	5,678	5,887
Sales	-	-483	-483
Closing balance 2013-12-31	**209**	**5,195**	**5,404**
Opening balance 2014-01-01	209	5,195	5,404
Closing balance 2014-12-31	**209**	**5,195**	**5,404**
Accumulated depreciation and impairment			
Opening balance 2013-01-01	-21	-1,943	-1,964
Sales	-	164	164
Depreciation for the year	-	-1,246	-1,246
Closing balance 2013-12-31	**-21**	**-3,025**	**-3,046**
Opening balance 2014-01-01	-21	-3,025	-3,046
Impairment	-188	-	-188
Depreciation for the year	-	-1,005	-1,005
Closing balance 2014-12-31	**-209**	**-4,030**	**-4,239**
Net book value			
As per 2013-01-01	188	3,735	3,923
As per 2013-12-31	188	2,170	2,358
As per 2014-01-01	188	2,170	2,358
As per 2014-12-31	-	1,165	1,165

Of the Group's intangible assets the main part is an airline adapted purchase and stock IT-system which is essential for the Group's day-to-day operations.

During 2014 the remaining part of the goodwill which was recorded from the purchase of Atlantic Airlines Ltd. was written of due to an assessment that all synergies following the transaction have been realised.

The depreciation and impairment have been allocated to the statement of income as according to below:

	2014	2013
Cost of services provided	1,109	1,149
Cost of sales	9	9
Administrative costs	75	88
Total	**1,193**	**1,246**

Note 14 – Tangible assets

	Aircraft and Components	Equipment, tools and installations	Total Tangible fixed assets
Accumulated acquisition value			
Opening balance 2013-01-01	766,704	15,885	782,589
Reclassifications	11,437	12,325	23,762
Translation differences	932	297	1,229
Acquisitions	269,140	2,264	271,404
Sales and disposals	-66,362	-1,650	-68,012
Closing balance 2013-12-31	**981,851**	**29,121**	**1,010,972**
Opening balance 2014-01-01	981,851	29,121	1,010,972
Reclassifications	5,927	86	6,013
Translation differences	5,666	2,036	7,702
Acquisitions	216,877	3,943	220,820
Sales and disposals	-64,522	-4,740	-69,262
Closing balance 2014-12-31	**1,145,799**	**30,446**	**1,176,245**
Accumulated depreciation and impairment			
Opening balance 2013-01-01	-314,738	-14,416	-329,154
Reclassifications	-14,788	-9,670	-24,458
Translation differences	-270	-214	-484
Sales and disposals	41,962	1,536	43,498
Depreciation for the year	-75,238	-1,938	-77,176
Closing balance 2013-12-31	**-363,072**	**-24,702**	**-387,774**
Opening balance 2014-01-01	-363,072	-24,702	-387,774
Reclassifications	-5,927	-	-5,927
Translation differences	-2,753	-1,837	-4,590
Sales and disposals	30,509	4,851	35,360
Impairment	-4,992	-	-4,992
Depreciation for the year	-85,457	-2,007	-87,464
Closing balance 2014-12-31	**-431,692**	**-23,695**	**-455,387**
Net book value			
As per 2013-01-01	451,966	1,469	453,435
As per 2013-12-31	618,779	4,419	623,198
As per 2014-01-01	618,779	4,419	623,198
As per 2014-12-31	714,107	6,751	720,858

During 2014, an impairment was made of TSEK 4,992 due to a long term parked aircraft.

The depreciation and impairment have been allocated to the statement of income as according to below:

	2014	2013
Cost of services provided	92,340	76,903
Cost of sales	12	24
Administrative costs	104	249
Total	**92,456**	**77,176**

Aircraft have been pledged as collateral for loans, please see note 31.

Seven BAe ATP aircraft included in net book value are held on finance leasing agreements in foreign currency. At December 31 2014 the net book value of these assets amounted to TSEK 127,811 (128,626). The remaining duration of the leases is eight years. The Group further has options to acquire the aircraft as from the sixth anniversary (2018-12-18) of the delivery date and then upon each following anniversary. For further information on duration and maturity of leasing agreements please see note 30. Below is a summary of maturity for all minimum finance leasing payments, the monthly leasing payments are denoted in USD and include no variable components. From the fifth anniversary the monthly leasing payments are reduced but includes no variable components.

	2014	2013
Within a year	18,458	15,382
Within one and five years	65,810	58,312
More than five years	42,595	48,670
Total	**126,863**	**122,364**

Included in the net book value above, one B737-400 aircraft are leased out on an operating lease agreement in foreign currency. At December 31 2014 the net booked value of this asset amounted to TSEK 47,439 (0). The remaining duration of the lease is four years. Below is a summary of maturity for the minimum operating leasing payments, the monthly leasing payments are denominated in USD and include no variable components throughout the whole period.

	2014	2013
Within a year	11,952	-
Within one and five years	36,852	-
More than five years	-	-
Total	**48,804**	-

Note 15 - Investments in associated companies

Investments in associated companies	2014	2013
Opening acquisition value	1,067	1,067
Closing acquisition value	1,067	1,067

Company	Incorp. No	Domicile	Capital share	Voting share	Shares	Book value
Flyguppdraget Backamo AB	556570-7322	Ljungskile	30.0%	30.0%	300	1,000
VACS AB	556814-3241	Stockholm	33.0%	33.0%	167	67
						1,067

Both of the associated companies are active in the aviation sector, more specifically, air transport, crew training and trading of communication and positioning equipment. The associated companies are not deemed material by the Group, which is based on both the size of the investment and the nature of the companies' business.

Financial information*

Associated companies in total	2013-12-31	2012-12-31
Total equity	3,408	3,427
Recorded value, Group's share	1,067	1,067
Income from remaining operations	-39	-7
Other comprehensive income	-	-
Total comprehensive income	-39	-7
Group's share	-11	-2

The investment in Flyguppdraget Backamo AB further contains an option to acquire the remaining 70 % of the company. The option can be exercised from July 1 to November 30, 2015 before expiring.

Further, a related party has an option to acquire 50 % of the Group's shares, including the potential shares potentially acquired through exercising the option. Both these options can be exercised in the period December 1 through December 15, 2015, before expiring.

* *Considering the criteria of materiality the Group's share of the comprehensive income has not been recorded in the Group accounts. Since Annual reports for 2014 is not, whereby information is provided from the latest approved annual report, 2013.*

Note 16 – Non current financial receivables

	2014-12-31	2013-12-31
Promissory note	-	14,896
Deposits	14,276	7,687
Other financial receivables	30	30
Total	**14,306**	**22,613**

At closing date 2014 the promissory note was sold. Book value was TSEK 16,873, creating a gain of TSEK 1,228. The gain has been included in financial income, please see note 10. The transactions are further mentioned in note 32, transactions with related parties.

Note 17 – Intangible current assets

	2014-12-31	2013-12-31
ETS, Emission credits	2,938	503
Total	**2,938**	**503**

The recorded balance contains the market value of the Group's acquired emission credits. The trading scheme for the credits is regulated through the EU, ETS (Emissions Trading System). Every year at April 30 a reconciliation is made and the Group reconciles emissions with acquired credits.

Note 18 – Trade receivables

	2014-12-31	2013-12-31
Trade receivables, gross	152,054	126,073
Whereof provisions for bad debt	-18,642	-18,998
Total	**133,412**	**107,075**

Changes in provisions for bad debt:

	2014	2013
Opening balance 2014-01-01	18,998	25,178
Previously provisioned receivables paid during the year	-941	-26,883
Provisions for bad debt	558	20,674
Translation differences	27	29
Total	**18,642**	**18,998**

For age structure and credit risk, please see note 30.

Note 19 – Other current receivables

	2014-12-31	2013-12-31
Balances on bank accounts	9,285	23,356
Value added tax claims	4,514	9,947
Customer rechargeables	2,074	-
Claims on suppliers	1,636	675
Other receivables	1,002	5,035
Total	**18,511**	**39,013**

Balances on bank accounts concerns joint and escrow accounts in connection with the sale of West Air Luxembourg S.A. These funds are held on account awaiting the outcome of the legal processes in France. For more information please see note 26.

Note 20 – Prepaid costs and accrued revenue

	2014-12-31	2013-12-31
Prepaid costs	19,884	19,305
Accrued revenue	11,030	11,600
Total	**30,914**	**30,905**

Note 21 – Statement of cash flows and cash equivalents

Interest paid and similar items

	2014	2013
Interest paid	55,255	41,902
Foreign exchange currency differences	4,203	1,355
Total	**59,458**	**43,257**

Interest received and similar items

	2014	2013
Interest received	432	1,448
Foreign exchange currency differences	25	452
Other financial income	-	6
Total	**457**	**1,906**

Adjustment for items not included in cash flow

	2014	2013
Depreciation and impairment	93,649	78,422
Changes in provisions	1,106	-
Accrual profit sale of aircraft	-4,696	-18,399
Disposal of fixed assets	32,128	12,763
Provisions for bad debt	-	2,609
Foreign exchange differences	-110	-1,075
Other non-cash items	-299	-1,300
Total	**121,778**	**73,020**

Components of cash and cash equivalents

	2014-12-31	2013-21-31
Cash and Bank	17,627	74,562
Total	**17,627**	**74,562**

Utilised bank overdraft amounted to TSEK 0 (26,776). Non-utilised bank overdraft amounted to TSEK 50,000 (23,224). Please see note 27 for further information.

Note 22 – Assets held for sale

	2014-12-31	2013-12-31
Aircraft and components	16,275	16,275
Total	**16,275**	**16,275**

At closing date 2014 West Atlantic had one aircraft held for sale. The aircraft was acquired in 2013 with the sole intention to sell. Commercial terms for the sale has been agreed and the sale is expected during 2015.

Note 23 - Equity

Share Capital
The share capital is made of up 27,004,640 shares at value SEK 1.00. There is only one class of shares, all with equal voting rights.

Reserves
Reserves includes all translation differences from foreign exchange currency fluctuations when consolidating subsidiaries with a functional currency other than SEK.

Accumulated translation differences in equity

	2014-12-31	2013-12-31
Opening balance	-97	-
Translation differences of foreign subsidiaries, net of tax	2,300	-97
Total	**2,203**	**-97**

At the transition date to IFRS (2013-01-01) accumulated translation differences was assumed 0. The information requirement according to the Swedish Annual Accounts Act, chapter 5, §14, regarding reconciliation of equity is covered in the consolidated report of shareholders equity, please see page 18.

Profit brought forward including net income for the year
Included net income and accumulated retained earnings for the parent company and its subsidiaries.

Note 24 – Net income per share

The number of outstanding shares is 27,004,640 (27,004,640). Net income for the year attributable to the shareholders of the parent company amounts to TSEK 10,584 (35,174). Net income per share amounts to SEK 0.39 (1.30).

Note 25 – Loans and other non-current liabilities

Non-current interest bearing liabilities

	2014-12-31	2013-12-31
Loans	507,372	509,062
Other financial liabilities	76,650	67,962
Total	**584,022**	**577,024**

Current interest bearing liabilities

	2014-12-31	2013-12-31
Loans	4,531	5,645
Other financial liabilities	4,576	3,158
Bank overdraft	-	26,776
Total	**9,107**	**35,579**

Maturity structure for non-current liabilities

	2014-12-31	2013-12-31
Within one and five years	526,579	524,714
More than five years	57,443	52,310
Total	**584,022**	**577,024**

Utilised bank overdraft is recorded as current liabilities due annual renewal.

Collaterals have been granted as subject to loans, for more details please see note 31.

For further details on term and conditions for loans, please see note 30.

Note 26 - Provisions

All provisions are considered to be non-current. The recorded values and changes are shown below:

	Legal proceedings France	Other
Opening balance 2014-01-01	10,213	599
Additional provisions made	5,244	753
Settled amounts	-3,592	-
Recovered amounts	-	-599
Total	**11,865**	**753**

Legal proceeding in France
The provisions primarily consist of the French authority claim for non-paid social contribution and pensions in France for employed flight crew, described in the Board of Director's report. The employees has been employed in the previous subsidiary West Air Luxembourg S.A. which was divested during 2013. The employees were socially secured and worked in Luxembourg. The claim specifically concerns the period 2008-2012 were employees sporadically worked in France.

The Group considers that the provisions have to be met, following the start of a legal process. The outcome of this process is uncertain, whereby the Group has provisioned the amounts claimed by the French authorities. The provisions include both social contribution and pension charges.

West Air Sweden AB has paid a large part of the amount to an escrow account with the sole purpose of settling the claims, please see note 19.

During 2014 several parts of the process has been settled, whereby a part of the provisions has been settled and additional provisions have been made. In total the provisions has increased by TSEK 1,652 during the year.

The Group is currently further involved in discussion to regain the amounts paid in Luxembourg for the corresponding period.

Other provisions
Concerns a customer claim where discussions are ongoing.

Note 27 – Bank overdraft

Available bank overdraft in SEK and foreign currency amounts to TSEK 50,000 (50,000), whereof TSEK 0 (26,776) was utilised as per closing date.

Corporate floating charges of TSEK 67,900 (67,900) has been pledged as collateral.

Note 28 – Other current liabilities

	2014-12-31	2013-12-31
Value added tax	16,754	17,252
Social benefit charges and staff tax	9,864	8,895
Current financial leasing debt	4,577	3,158
Other current liabilities	1,103	1,833
Total	**32,298**	**31,138**

Current financial leasing debt constitutes the short term payable part of long term leasing agreements.

Note 29 – Prepaid revenue and accrued costs

	2014-12-31	2013-12-31
Accrued interest payable	5,845	5,920
Accrued vacation pay (incl. Social charges)	9,911	9,524
Accrued salaries (including social charges) and salary tax	1,464	2,100
Prepaid revenue	25,024	26,881
Other items	18,288	12,901
Total	**60,532**	**57,326**

Note 30 – Financial risk management and financial instruments

The Group is exposed to credit, liquidity and interest rate as well as currency risks in the course of its normal business.

Credit risk

The Group performs counterparty credit evaluations on an on-going basis. Maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The age structure of trade and other receivables excluding provisions is as follows:

Trade receivables	2014-12-31	2013-12-31
Not overdue	106,424	48,227
Overdue 0-30 days	16,495	49,069
Overdue 30-60 days	1,982	7,583
Overdue 60-90 days	2,862	100
More than 90 days overdue	24,291	21,094
Total	**152,054**	**126,073**

The table above only includes trade receivables, since the Group does not have any significant other overdue receivables either at 2014-12-31 or 2013-12-31.

Overdue balances are not provisioned if management is confident that the balance can be recovered in full. Trade and other receivables are stated net of provision for bad debt of TSEK 18,642 (18,998).

Liquidity risk

Liquidity risk is the risk that the Group may not meet its obligations upon falling due. The Group makes every effort to ensure that it always has sufficient liquidity to meet its obligations when due, under both normal and stressed situations, without risking the Group's reputation or incur losses. The following are the contractual maturities of the financial liabilities, including estimated interest payments:

Maturities of the financial liabilities, incl. estimated interest payments	Bond loan	Bank loans	Financial leases	Trade and other payables	Total	Bond loan	Bank loans	Financial leases	Trade and other payables	Derivatives	Total
	2014	2014	2014	2014	2014	2013	2013	2013	2013	2013	2013
Less than one year	40,000	5,140	18,458	114,472	178,070	40,000	6,558	15,382	75,130	2,556	139,626
Between one and five years	640,000	17,178	65,810	2,343	725,331	680,000	20,388	58,312	-	-	760,058
more than five years	-	-	82,940	-	82,940	-	2,188	82,284	-	-	84,472
Total	**680,000**	**22,318**	**167,208**	**116,815**	**986,341**	**720,000**	**29,134**	**155,978**	**75,130**	**2,556**	**984,156**

Maturities of financial liabilities including interest are shown in the table above, excluding utilised bank overdraft. The bank overdraft which amounts to TSEK 50,000, are prolonged by one year at a time at year end. The Bond loan of nominal TSEK 500,000 mature by 2018-05-08. The Group has its first option to settle the whole financial leasing liability at 2018-12-18. This means that the payments between one and five years should increase to TSEK 111,875 (108,591). The reason for the amounts of the financial leasing liabilities above are higher for year 2014 compared to 2013, is attributable to foreign exchange currency differences. These liabilities are in USD, and there were a significant currency effect in year 2014.

Interest rate risk

At the closing date the interest rate profile of the Group's interest-bearing borrowings was:

Interest-bearing financial instrument profile	2014-12-31			2013-12-31		
	Fixed rate	Variable rate	No rate	Fixed rate	Variable rate	No rate
Non-current financial receivables	11,976	-	2,330	22,583	-	30
Current receivables	-	-	146,753	-	-	136,251
Cash and cash equivalents	-	17,627	-	-	74,562	-
Loans, non-current	-491,202	-16,170	-	-488,562	-20,500	-
Financial lease liabilities, non-current	-76,650	-	-	-67,962	-	-
Loans, current	-	-4,531	-	-	-5,645	-
Bank Overdraft	-	-	-	-	-26,776	-
Financial lease liabilities, current	-4,576	-	-	-3,158	-	-
Other current liabilities	-	-150	-116,786	-	-926	-74,204
Total	**-560,452**	**-3,224**	**32,297**	**-537,099**	**20,715**	**62,077**

The assembly above shows the allocation of the financial instruments on interest bearing and non-interest bearing financial assets and liabilities. The main part of the financial liabilities are fixed interest bearing, why the interest risk is relatively low. The Group has no hedging instruments connected to the interests. A sensitivity analysis has been done of the variable interest bearing financial liabilities as at December 31, 2014. This shows that an increase of the market interest by one percent unit affects the Group's income before tax only by - 200 TSEK and equity by - 156 TSEK. Thus the interest rate risk is assessed not to be significant.

Currency risk

West Atlantic is exposed to a number of currency risks since a large portion of its activities is performed in different currencies than the Swedish Krona (SEK). For instance, many activities in the aviation business – such as aircraft trading, leasing, market valuations and maintenance on core components – are priced in United States Dollar. For the Group the primary risk is related to revaluation of net income and net assets from foreign subsidiaries, other financial assets and liabilities denominated in foreign currency, as well as a financial exposure to foreign currency differences relating finance leasing liabilities and adhering payments. The Group's consolidated operative currency risk is, to a large extent, limited to translation risk, exposure in foreign currency cash holding and liabilities denominated in USD, as the Group's customers carry most of the exchange rate risks given multi-currency pricing and/or price adjustments clauses.

For the mentioned risks above the most material exposure lies in USD and GBP against SEK. For GBP the primary risk concern translation risks of subsidiaries in the UK, while for USD the primary risk concern finance leasing liabilities denominated in USD. In 2014 non-realised foreign exchange losses of TSEK 13,751 is included in the income statement. In addition there is also a non-significant effect from leasing payments regarding allocation between interest and amortisation.

Ten per cent appreciation of the USD and GBP against the SEK at 31 December 2014 would have impacted equity and profit by the figures shown below. In contrary, ten per cent weakening would have had the equal but opposite effect on equity and profit, all else being equal.

Sensitivity analysis

As per closing date, a 10 % appreciation of GBP against SEK would reduce the Group's income before tax by approximately TSEK 2,100, connected to revaluation of financial assets and liabilities. Further, such appreciation would also induce a positive translation effect on equity of approximately TSEK 4,300 when consolidating foreign subsidiaries.

As per closing date, a 10 % appreciation of USD against SEK would reduce the Group's income before tax by approximately TSEK 13,100, connected to revaluation of financial assets and liabilities including finance leasing liabilities, whereof approximately TSEK 11 500 is connected to revaluation of future finance leasing liabilities.

Calculations above are based on variables denominated in foreign currency being fixed, in order to reflect currency sensitivity. The analysis is not to be construed as a complete sensitivity analysis but rather as an indication of the Group's sensitivity and exposure to foreign currencies.

Fair value and booked value on financial assets and liabilities

	Dec 2014		Dec 2013	
TSEK	**Booked value**	**Fair value**	**Booked value**	**Fair value**
Financial assets				
Other long term financial receivables	14,306	14,306	22,613	22,613
Other receivables incl. trade receivables	146,753	146,753	136,251	136,251
Financial assets at fair value	-	-	-	-
Cash and cash equivalents	17,627	17,627	74,562	74,562
Total	**178,686**	**178,686**	**233,426**	**233,426**
Financial liabilities				
Loans incl. bank overdraft*	511,903	545,701	541,483	552,921
Other liabilities incl. trade payables	198,162	198,162	146,250	146,250
Financial liabilities at fair value	-	-	2,556	2,556
Total	**710,425**	**743,863**	**690,289**	**701,727**

** The trading of the corporate bond loan started in 2014-04, which explains the higher fair value compared to booked value at 2014-12-31*

Fair value is normally determined by official market prices. When market prices are missing, fair value normally is determined by generally accepted valuation methods, such as discounted future cash flows based on available market information.

The Group's financial assets and liabilities are valuated at fair value according to below:

Level 1: Market prices (unadjusted) listed on an active market for identical assets or liabilities

Level 2: Other observed data for the asset or the liability than noted prices included in level 1, either direct (as price adjustments) or indirect (derived from noted prices).

Level 3: Fair value determined out of valuation models, where significant data is based on unobservable data. At the moment, the Group has no assets and liabilities valuated according to this level.

At 2014-12-31, the Group has no financial assets or liabilities, valuated at fair value in the income statement.

In level 1, the following items are classified: trade receivables and other receivables, cash and cash equivalents, trade payables, short and long term liabilities and loans. Valuation is made at deferred acquisition value, which corresponds to nominal values adjusted with additional or deductible valuation items.

In level 2, the following items are classified: Non-interest-bearing long term financial receivables valuated at deferred acquisition value and where the interest that is used to discount the amount to the acquisition value, is derived from a notation and an assessment is performed by the Group. Further: Derivatives where valuation is made at fair value for foreign currency exchange agreement, which are based on exchange rates published on an active market.

Fair value hierarchy

	Dec 2014		Dec 2013	
TSEK	Level 2	**Sum**	Level 2	**Sum**
Financial assets				
Financial assets at fair value in the income statement:				
Derivatives	-	-	-	-
Financial assets total	**-**	**-**	**-**	**-**
Financial liabilities				
Financial liabilities at fair value in the income statement:				
Derivatives	-	-	2,556	2,556
Financial liabilities total	**-**	**-**	**2,556**	**2,556**

Note 31 – Pledged collaterals

	2014	2013
Business floating charges 127 900 whereof pledged	67,900	67,900
Aircraft mortgages	770,016	584,324
Bank accounts	427	58,572
Net assets in subsidiary	179,250	186,568
All rights under current and future lease agreements	-	-
Total	**1,017,593**	**897,364**

Business floating charges are pledged with credit institutions for the Group's current engagements.

Aircraft mortgages are pledged for liabilities to credit institutions and bond-holders for the Group's current engagements.

Net assets in subsidiary are pledged for bond-holders for the Group's current engagements.

Note 32 – Transactions with related parties

Transactions between the company, subsidiaries and affiliates
All transactions between the company and its subsidiaries are eliminated in the Group accounts. These transactions including any transactions with affiliated companies are made on current market terms based on the principle of arm's length, meaning that the parties are independent from each other, well informed and have an interest in the transaction.

Transactions with directors, key individuals and their related parties
All transactions have been made on current market terms and based on the principle of arm's length.

Medicinkonsulterna Göran Berglund AB
This company is owned by Göran Berglund (chairman of the board and major shareholder). The Group sold one aircraft (Cessna Citation) to the company. The remuneration amounted to TSEK 2,176. The Group has also invoiced this company for aircraft maintenance and fuel at an amount of TSEK 126. The Group has further leased the mentioned aircraft from this company during the year, amounting to TSEK 44. As per December 31, 2014 the group had no outstanding claims or liabilities on this company.

Förvaltningbolaget Örgryte KB
This company is indirectly substantially owned by Gustaf Thureborn (CEO, President and shareholder of West Atlantic AB (publ). The Group has been charged for office rent for the building owned by this company at an amount of TSEK 1,545, following a long-term agreement since 1997. As per December 31, 2014 this company had a claim of TSEK 482 on the Group.

Erik Thun AB
This company's chairman of the board, Staffan Carlsson, is a board member of West Atlantic AB (publ) since May 27, 2014. The Group has made several significant transactions with Erik Thun AB during the year. Received remunerations from the collaboration arrangement amounted to TSEK 7,519. For more details about the content of this arrangement, see note 1 significant accounting principles. Moreover, as described above, significant events Q4, the Group sold a promissory note, which had a book value of TSEK 16,873 (nominal value TSEK 20,000) at amount of TSEK 18,101. The Group has also sold a CRJ200 at an amount of TSEK 13 922. This sale was made in very close connection with the purchase of the same aircraft. As per December 31, 2014 the group had no outstanding claims or liabilities on this company.

Horizon Ltd
This company is represented by Russell Ladkin which is a shareholder of West Atlantic AB (publ) and a member of senior management. Horizon Ltd invoiced the Group for commercial consulting services which amounted to TSEK 3,091. As per December 31, 2014 this company had a claim of TSEK 255 on the Group.

All Konsult Langhard KB
This company is owned by Claudia Ladkin, member of Group management. The company invoiced the Group for HR consulting services amounting to TSEK 1,335. As per December 31, 2014 the group had no outstanding claims or liabilities on this company.

Arcsec AB
Performs archiving services for the Group, which is significant for Arcsec AB. Owner is Gustaf Thureborn (mentioned above). The services amounts to TSEK 34. This business relationship has existed since 2008. As per December 31, 2014 the group had no outstanding claims or liabilities on this company.

Jörgen Arnemar AB
Jörgen Arnemar is a board member of West Air Sweden AB (Group Company) and also a member of the audit committee of the Group. The company has invoiced the Group for board fees and pilot fees at an amount of TSEK 308. As per December 31, 2014 the group had no outstanding claims or liabilities on this company.

Air Transport service Group Inc. (ATSG)
The Group has during the year wet-leased two B767 aircraft from ATSG (represented in the board of directors and among the shareholders). The leases have not had a significant impact on the Group's income or financial position. As per December 31, 2014 the group had no outstanding claims or liabilities on this company.

Note 33 – Essential assessments and evaluations

In connection with producing the financial reports, material assumptions and evaluations are made. These are primarily made by the board and senior management and are based on experience and best practise when scrutinising the current conditions. In the event of not being able to determine the value of assets and liabilities by third party information, these assumptions and evaluations forms the base for the valuations. If other assumptions and evaluations are made, the outcome may differ materially from what has been stated in the financial reports. West Atlantic has identified the following areas as material in terms of assumptions, assessments and evaluations:

- Leasing
- Depreciation of aircraft and components
- Provisions

Leasing
West Atlantic currently has a material share of the aircraft fleet financed through leasing agreements. The Group is financed through a mix of operating and finance leasing.

Finance leasing
During 2012 West Atlantic performed sale-leaseback transactions for 7 BAe ATP aircraft, which were assessed as finance leasing. The primary reasons behind the assessment was the length of the leasing agreement (10 years) in combination with an attractive purchase option (by the Group's standards). These factors combined with the fact that the transaction was a sale-leaseback led to the assessment of finance leasing.

Following the assessment, the current factors are important to consider:

- Finance leasing liabilities of TSEK 75,407 and acquisition values for aircraft with adhering depreciation was recorded in the statement of financial position.
- The profit from sale of aircraft was following the assessment recorded as a prepaid revenue in the statement of financial position and has been allocated over the duration of the leasing agreement, impacting net income annually.
- The annual leasing payments are adjusted to interest and amortisations.

The stated effects above from the assessment had not been recorded if the agreements had been assessed as operating leasing. In that case leasing payments had been continuously expensed in the income statement and no effect on the statement of financial position would be present.

Operating leasing
As per closing date the Group has five aircraft (four B737 and 1 BAe ATP) on operating leasing agreements. The total estimated market value for these assets at the time of entering the agreements was TSEK 212,000. Further, the Group leases one B737 to a third party. These agreements has through an assessment of all aspects been determined to be operating leasing. The primary condition for the assessment have been the fact that no purchase options was agreed. Further the present value of the minimum lease payments under the agreement is not assessed to meet the market value at the time of entering the agreement. Lastly, the duration of the agreements is assessed not to meet the economic life of the asset. All factors indicating operating leasing.

Depreciation of aircraft and components
In the assessment of the depreciation of the asset the Group applies component depreciation of the aircraft, meaning that material aircraft components are depreciated according to a separate plan, compared to the airframe. The components are assessed to be engine overhaul/inspections as well as heavy maintenance items such as structural inspections. The asset life of the components are empirically determined by examining the historical asset life of identical components.

For the aircraft type B737 the Group's in-house data has been limited, whereby information was gathered through third party with regards to aircraft components' economic life.

All the assumptions for economic life impact the value of the components and has a material impact on the total asset valuation. The expected economic life may differ materially from the assumptions which may in turn have a material effect of the Group's income and financial position.

Provisions
Note 26 provides a detailed of the provisions included in the accounts. At closing date the Group's provisions for ongoing disputes amounted to TSEK 12,618. Three parallel processes are ongoing involving French authorities, an employee union and one customer. The outcome of these processes is considered to be uncertain, even if the Group has provisioned all amounts due according to best practise.

Note 34 – First time adopting of IFRS

Previously, the West Atlantic Group has applied the Swedish Annual Accounts Act and the standards from Swedish Accounting Standards Board for the Group consolidated accounts. As from 2014-01-01 the Group prepares its consolidated accounts in accordance with IFRS. The transition date was determined to be 2013-01-01. The transition to IFRS is presented according to IFRS1 – First time adoption of IFRS. The main rule of IFRS states that a company shall apply all IFRS standards retroactively at the time of determination of the opening balances according to IFRS considering the required exception regulations stated in IFRS1, p14-17 and appendix B. Beside the required exception regulations, there are certain optional exemptions, where West Atlantic AB (publ) has applied the following:

Exception for business combinations
IFRS3 – Business combinations, is applied only on post IFRS transition business combinations.

Exception for accumulated translation differences
The Group has applied IFRS1, which allows accumulated translation differences in equity to be eliminated at the transition date to IFRS. The Group has recognised these translation differences as profit brought forward at the transition date.

Information about the use of a deemed cost value for shares in associated companies
According to IFRS1 a company can, as an exception, use a deemed cost value in the report over the opening balances for shares in associated companies instead of the acquisition value according to the equity method. Based on this, the Group has used the booked value according to previous principles as a deemed cost value, at the time for transition to IFRS. This deemed cost value does not quite agree with the equity method. The total deemed cost value amounts to TSEK 1,067.

Reconciliation between previous accounting principles and IFRS
The Group is according to IFRS1 required to reconcile equity and comprehensive income for previous reporting periods with the corresponding items according to IFRS. The effects of the IFRS transition are presented in the statements on the following pages, and are considered by management of the Group to be the most significant preliminary effects for the transition. The main difference between previous principles and IFRS are connected to the reclassification of previously operating aircraft leasing agreements to finance leasing according to IAS17.

Restated cash flow statement
The transition further had an effect on the Group's cash flow statements from operating activities, investing activities and financing activities. In connection with the transition to IFRS the income before financial activities has been selected to determine the cash flow prior to changes in working capital, instead of the previously used income after financial activities. This in order to easily separate interest paid and received as required by IFRS. As mentioned above, the main difference between previous principles and IFRS is connected to the reclassification of previously operating aircraft leasing agreements to finance leasing according to IAS17. This has a positive effect on the cash flow from operating activities due to that operating lease payments are reclassified as interest and amortisations.

Another effect of finance leasing agreements concerning aircraft, purchased during 2013, is that the cash flow from investing activities has increased, affecting acquisition of aircraft and components. Cash flow from financing activities has correspondingly decreased.

Statement of financial position, January 1 2013

	Reference	Opening balance according to previous principles after adjustments (a)	Adjustments of principles	IFRS
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Goodwill		188		188
Licenses and IT system	j)	3,735	-207	3,528
		3,923		**3,716**
Tangible assets				
Aircraft and components	a), b), i), k)	288,008	163,958	451,966
Equipment, tools and installations		1,469		1,469
		289,477		**453,435**
Financial assets				
Shares in associated companies		1,157	-	1,157
Non-current financial receivables	c)	20,000	-4,274	15,726
Deferred tax receivables	b), c), g), j)	-	6,433	6,433
		21,157		**23,316**
TOTAL NON-CURRENT ASSETS		**314,557**		**480,467**
CURRENT ASSETS				
Inventories				
Spares and necessities	i)	99,426	2,096	101,522
Advances to suppliers		5,368		5,368
		104,794		**106,890**
Other current assets				
Trade receivables		93,538		93,538
Tax receivable	a)	4,699		4,699
Other receivables	c)	60,554	-3,849	56,705
Prepaid expenses and accrued income		22,076		22,076
		180,867		**177,018**
Cash and cash equivalents		39,957		39,957
TOTAL CURRENT ASSETS		**325,618**		**323,865**
Assets held for sale	k)	-	5,211	5,211
TOTAL ASSETS		**640,175**		**809,543**
EQUITY				
Share capital		27,005		27,005
Reserves	n)	108,016	-108,016	-
Profit brought forward including net income for the year	a), b), c), e), g), j), l), n)	105,266	63,797	169,063
TOTAL EQUITY		**240,287**	**-44,219**	**196,068**
ALLOCATIONS				
Allocations for taxes	a), d)	42,169	-42,169	-
Allocations for aircraft maintenance	e)	3,292	-3,292	-
		45,461		**-**
NON-CURRENT LIABILITIES				
Loans	f)	41,752	38,947	80,699
Other non-current liabilities	b), f)	38,947	122,132	161,079
Deferred tax liabilities	a), b), d), e), g)	-	36,114	36,114
		80,699	**197,193**	**277,892**
CURRENT LIABILITIES				
Bank overdraft		33,384		33,384
Loans	f)	44,204	10,347	54,551
Trade payables		92,261		92,261
Tax liabilities	a)	7,014		7,014
Derivative instruments	l)	-	1,139	1,139
Other current liabilities	b), f)	71,434	8,491	79,925
Prepaid income and accrued expenses	g)	25,431	41,878	67,309
		273,728	**61,855**	**335,583**
TOTAL EQUITY AND LIABILITIES		**640,175**		**809,543**

Consolidated statement of income including statement of other comprehensive income January – December, 2013

	Reference	Previous accounting principles after adjustments (a)	Adjustments of principles	IFRS
Revenue	g)	1,067,102	5,529	1,072,631
Cost of services provided	b), g), m)	-946,168	-19,533	-965,701
Gross income:		**120,934**		**106,930**
Cost of sales		4,444		4,444
Administrative costs	h)	-64,267	13,200	-51,067
Other operating income and costs	g)	-129	24,091	23,962
Operating income:		**60,982**		**84,269**
Financial income	c)	11,767	1,596	13,363
Financial costs	b), c), h), l)	-38,616	-20,211	-58,827
Income before tax:		**34,133**		**38,805**
Income tax	b), c), e), g), h), j) ,l), n)	-6,949	3,318	-3,631
Net income:		**27,184**		**35,174**
Attributable to:				
- Shareholders of the Parent Company		27,184		35,174
Earnings per share (SEK):		1.01		1.30
Statement of other comprehensive income				
Net income:		27,184		35,174
Other comprehensive income:				
Items that may be classified as net income:				
Exchange-rate differences in translation of foreign operations	n)	-	-97	-97
Total comprehensive income for the year:		**27,184**		**35,077**
Attributable to:				
- Shareholders of the Parent Company		**27,184**		**35,077**

Statement of financial position, December 31 2013

	Reference	Balance according to previous principles after adjustments (a)	Adjustments of principles	IFRS
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Goodwill	m)	167	21	188
Licenses and IT system	j)	2,446	-276	2,170
		2,613		**2,358**
Tangible assets				
Aircraft and components	a), b)	575,885	43,085	618,970
Equipment, tools and installations		4,419		4,419
		580,304		**623,389**
Financial assets				
Shares in associated companies		1,067		1,067
Non-current financial receivables	c)	20,030	2,583	22,613
Deferred tax receivables	b), c), g) ,j), l), p)	-	5,109	5,109
		21,097		**28,789**
TOTAL NON-CURRENT ASSETS		**604,014**		**654,536**
CURRENT ASSETS				
Inventories				
Spares and necessities		105,086		105,086
Aircraft held for sale	k)	16,275	-16,275	-
Advances to suppliers		11,473		11,473
		132,834		**116 559**
Other current assets				
Intangible current assets	q)	-	503	503
Trade receivables		107,075		107,075
Tax receivable	a)	3,905		3,905
Other receivables	c), q)	51,041	-12,028	39,013
Prepaid expenses and accrued income		30,905		30,905
		192,926		**181,401**
Cash and cash equivalents		74,562		74,562
TOTAL CURRENT ASSETS		**400,322**		**372,522**
Assets held for sale	k)	-	16,275	16,275
TOTAL ASSETS		**1,004,336**		**1,043,333**
EQUITY				
Share capital		27,005		27,005
Reserves	n)	171,884	-171,981	-97
Profit brought forward	a), b), c), e), g), j), l), n)	30,056	128,205	158,261
Net income for the year		27,184	7,990	35,174
TOTAL EQUITY		**256,129**		**220,343**
ALLOCATIONS				
Allocations for taxes	d)	47,961	-47,961	-
Other provisions	o)	10,812	-10,812	-
		58,773		-
NON-CURRENT LIABILITIES				
Loans	h)	520,500	-11,438	509,062
Other non-current liabilities	b)	-	67,962	67,962
Deferred tax liabilities	a), b), d), e), g), h), n), p)	-	37,027	37,027
Provisions	o)	-	10,812	10,812
		520,500		**624,863**
CURRENT LIABILITIES				
Bank overdraft		26,776		26,776
Loans		5,645		5,645
Trade payables		73,207		73,207
Tax liabilities		1,479		1,479
Derivative instruments	l)	-	2,556	2,556
Other current liabilities	b)	27,980	3,158	31,138
Prepaid income and accrued expenses	g)	33,847	23,479	57,326
		168,934		**198,127**
TOTAL EQUITY AND LIABILITIES		**1,004,336**		**1,043,333**

Group's summary of effects on equity 2013

	Reference	Jan 1, 2013	Dec 31, 2013
Equity according to previously applied principles and approved balance sheet		**236,347**	**259,229**
Adjustments for misstatements	a)	3,940	-3,100
Equity according to previously applied principles after adjustments for misstatements		**240,287**	**256,129**
Accumulated effect of transition to IFRS at January 1, 2013		-	**-44,219**
Effect of transition to IFRS, including deferred tax			
Financial leasing	b 1)	4,545	2,788
Impairment of aircraft	b 3)	-10,373	-
Change in useful life for aircraft	b 2)	-	3,384
Depreciation of components, aircraft	b 2)	-	-20,040
Other non-current financial receivables	c)	-6,336	-639
Provision for aircraft maintenance	e)	1,648	-1,648
Adjustment of profit sale on sale-leaseback	g)	-32,665	14,351
Adjustment for transaction costs on loans	h)	-	8,922
Licenses and IT systems	j)	-161	-54
Derivative instruments	l)	-877	-1,091
Change depreciation goodwill	m)	-	21
Reclassifications in equity, including adjustment for deferred tax	n)	-	2,439
Total effect on profit brought forward, including comprehensive income for the period		**-44,219**	**8,433**
Total effect on equity of the transition to IFRS		**-44,219**	**-35,786**
Equity adjusted according to IFRS		**196,068**	**220,343**

References

a) Adjustments of opening balances due to misstatements

The following items have been corrected in the opening balances 2013-01-01:

1. The Group consolidated accounts 2013-01-01 contained a non-depreciated Group surplus value relating to tangible fixed assets, aircraft and components. The balance has been adjusted by TSEK – 4,206. Adjustment for deferred tax has been made by TSEK 1,106. Profit brought forward was affected totally by TSEK – 3,100.

2. Due to a late amendment in a subsidiary tax receivable was adjusted by TSEK 1,532, tax liability was reduced by TSEK 210 and allocations for deferred taxes was reduced by TSEK 5,298. Total effect on profit brought forward was TSEK 7,040.

At December 31 2013 only the adjustment according to p1 was applicable.

b) Aircraft and components

1. *Finance leasing*

According to IAS17 all significant financial leasing contracts previously recorded as operating leasing shall be recorded as tangible fixed assets and financial liabilities. Depreciation and interest costs are recorded in the income statement instead of operating leasing costs. Leasing cost have previously been recorded as a cost of services provided. During the fiscal year of 2013 a reclassification of leasing payments of TSEK 18,155 has been made, interest costs have been increased by TSEK 12,936 and amortisations by TSEK 5,219. After adjustment for deferred tax of TSEK – 1,148, profit for the year have been increased by TSEK 4,071. In connection with settlement of leasing agreements financial costs of TSEK 1,681 adjusted for deferred tax of TSEK 370 has been recorded. Profit for the year has been affected by TSEK – 1,311.

At 2013-01-01 a reclassification of leasing payments of TSEK 16,655 have been made, interest costs have increased by TSEK 7,466 and amortisations with TSEK 9,189. After adjustment for deferred tax of TSEK -2,021, profit brought forward have been increased by TSEK 7,168.

Positive translation differences on leasing liabilities (other liabilities) are included at 2013-01-01 by TSEK 2,154 and thereby other long term liabilities have been decreased. After adjustment for deferred tax by TSEK 553, profit brought forward have been affected by TSEK 1,961.

At 2013-01-01 TSEK 184,564 have been recorded as an increase in tangible fixed assets due to recognition of financial lease agreements, after adjustment for depreciations with TSEK 5,878 and there have been an increase in other liabilities, both current and non-current by TSEK 178,738 after amortisations. The remaining amount of other liabilities after amortisations were TSEK 139,791.

During 2013, depreciations have been recorded by TSEK -5,066. After adjustments for deferred tax of TSEK 1,114, profit for the year has been affected by TSEK -3,952. Corresponding amount at 2013-01-01 was TSEK -5,878. After adjustment for deferred tax of TSEK 1,293, profit brought forward was affected by -4,585.

The total effect on equity from financial leasing 2013-01-01 was TSEK 4,545.

Amortisations and settlements of leasing liabilities have been done by TSEK 107,618 accumulated at 2013-12-31.

The total effect on equity from financial leasing is TSEK 2,788 during year 2013.

Reclassification has been made, from non-current term liabilities to short term liabilities concerning the part to amortise within one year. The amounts were TSEK 3,158 at 2013-12-31 and TSEK 17,659 at 2013-01-01 in accordance with IAS1.

2. *Depreciation of components and change in useful life for aircraft*

In accordance with IAS16, components of tangible fixed assets which are determined to have a significant value in or a different economical lifetime compared to the asset itself, shall be depreciated separately according to special plan. For applied depreciation plans for components, please see accounting principles, p 1.7. For aircraft, this has meant that the depreciation periods for separate components have been shortened, having an increasing effect on cost of services provided. For year 2013, the effects amounts to TSEK -25,692. To properly reflect the useful life of the aircraft, the depreciation plan of the aircraft excluding its components has been prolonged which has decreased cost of services provided by TSEK 4,339.

In total, the adjusted amount for depreciations at 2013-12-31 has been TSEK – 21,353 which has affected net income by – TSEK -16,656 allocated to component depreciation, TSEK -20,040 and change in useful life TSEK 3,384, after deferred tax of TSEK 4,697.

The total effect on cost of services provided for aircraft and components concerning finance leasing and depreciations of aircraft and components for the reporting period Jan – Dec is TSEK – 8,264 and after adjustment for deferred taxes of TSEK 1,818, net income is affected by TSEK - 6,446.

3. *Impairment of aircraft*

In connection to the transition to IFRS, the Group applies IAS36. This means that an impairment test of the Group´s tangible fixed assets shall be performed. The result of this impairment test was that an impairment of TSEK 13,299 had to be done. After adjustment for deferred tax TSEK 2,926, profit brought forward have been affected by TSEK – 10,373.

c) Other non-current financial receivables

1. Reclassification of long term to short term receivable in accordance with IAS1, has been made of paid deposits 2013-01-01, concerning external leasing agreements (TSEK 3,849). The corresponding adjustment at 2013-12-31 was TSEK 11,525.

2. Due to that the Group recognises the financial receivables in the category "loan and trade receivables" the amount shall be valued at present value according to IAS39 if the duration of the receivable is longer than one year. At 2013-01-01 a reduction of long term financial receivables has been made by TSEK 8,123. After the adjustment for deferred tax of TSEK 1,787, profit brought forward has been effected by TSEK – 6,336. During the period Jan – Dec 2013 the receivables have been decreased by TSEK -819 net (1,596 – 2,415), following changes in the assumptions for present value. After adjustment for deferred tax by TSEK 180, the effect on net income was TSEK -639.

d) Allocations for taxes/deferred tax liabilities

Reclassification has been made for allocation for taxes according to IAS1 and classified as long term deferred tax liabilities. The amount reclassified at 2013-01-01 after corrections was TSEK 42,169. The corresponding amount at 2013-12-31 was TSEK 47,961.

e) Allocations for aircraft maintenance

At 2013-01-01 an allocation for aircraft maintenance of TSEK 3,292 has been adjusted in accordance with IAS37. After adjustment for deferred tax by TSEK 465 the effect on profit brought forward was TSEK 1,648. In addition, a reclassification of TSEK 1,179 has been made to short term liabilities according to IAS1. At 2013-12-31 the whole allocation was reversed in the accounts and the deferred tax was adjusted in the net income, and profit brought forward.

f) Loans

Loans include financial interest bearing liabilities, excluding bank overdraft and financial leasing. At 2013-01-01 a reclassification of TSEK 38,947 (long term) and TSEK 10,347 (short term) has been made from other liabilities to loans in accordance with IAS1.

g) Adjustment of profit sale on sale-leaseback transactions

Reclassification of profit on aircraft sale, management fees from collaboration *arrangement*

When a sale lease-back transaction results in a financial leasing agreement, the profit from the sale shall be allocated during the duration of the leasing agreement. During 2012 a sale and leaseback transaction was carried out where the leasing agreements has been determined to be financial leasing agreements. At 2013-01-01, profit sales that amounted to TSEK 41,878 has been allocated over the duration of the agreement and are recognised as prepaid income. After adjustment for deferred tax by TSEK 9,216, profit brought forward is effected by TSEK – 32,665.

For 2013 the allocation of profit sale amounted to TSEK 18,399 (other operating income). After adjustment for deferred tax by TSEK -4,048 the effect on net income was TSEK 14,351. The remaining amount of prepaid income at 2013-12-31 is TSEK 23,479.

According to previous principles, profit of sales on aircraft were accounted only with the net profit amount as revenue. After changed principles, revenue shall be affected by the whole remuneration. Due to this, a reclassification has been done with amounts between revenue (increases) and costs of services provided (increases) with the total cost for the sold aircraft. For the year 2013 revenue has increased by TSEK 11,221. This has been adjusted against costs of services provided which has increased.

Reclassification of management fees from collaboration arrangement have been made from revenues to other operating income for 2013, TSEK 5,692.

h) Loan transaction costs

Loans are to be recorded at deferred acquisition value in accordance with IAS39, and the difference between received amount net of transaction cost and the repayable amount shall be recorded in the income statement allocated over the duration of the loan. A transaction cost of TSEK 13,200 during 2013, recorded as administrative costs, has been reclassified to financial costs and allocated over a duration of five years commencing in May 2013. TSEK 11,438 has reduced financial costs and the principal loan amount (500,000 TSEK), after adjustment for deferred tax of TSEK – 2,516 the effect on net income for 2013 was TSEK 8,922.

i) Aircraft and components and inventories

A reclassification of TSEK 2,096 for aircraft and components to inventories at 2013-01-01.

j) Licenses and IT-systems

A change in assessment of the useful life of an IT-system has effected profit brought at 2013-01-01 forward by TSEK – 161 after adjustment for deferred tax of TSEK 46. The effect on cost of services provided was TSEK – 69 and the effect on net income for 2013 was TSEK -54 after reduction for deferred tax.

k) Assets held for sale

According to IFRS5, a company shall during certain circumstances recognise assets held for sale as a separate item under current assets. The Group has recognised two aircraft held for sale at 2013-01-01 amounting to TSEK 5,211. The Group has recognised one aircraft held for sale at 2013-12-31 amounting to TSEK 16,275.

l) Derivative instruments

The Group has recorded foreign exchange forwards as derivative instruments in the statement of financial position, according to IFRS the instrument shall be recorded at fair value. According to previous principles derivative instruments were not recorded in the statement of financial position at 2013-01-01. Derivative instruments are recorded against profit brought forward in opening balances and are recorded in the statement of income going forward. At 2013-01-01 the adjustment for change in fair value amounts to TSEK – 1,139. An adjustment for deferred tax of TSEK 262 was also recorded. Equity was affected by TSEK -877, net.

In the income statement, changes in fair value for the forward ex-change contracts are recorded as financial income/costs in accordance with IAS39 p 55. For the year 2013, financial costs were effected by TSEK -1,417, increasing the derivatives in total to TSEK 2,556. After deferred tax of TSEK 326, net income was affected by TSEK -1 091.

m) Adjustment of depreciation of goodwill

According to IFRS goodwill is not depreciated but are annually tested for impairment. Deprecation of goodwill brought forward 2013-01-01 remain as the Group applies the exemption in IFRS3 regarding restatement of business combinations. Adjustment for depreciation of goodwill is made at 2013-12-31 and amounts to TSEK 21.

n) Reclassification in equity including adjustment on deferred Untaxed reserves

At the transition to IFRS equity is not divided in restricted or unrestricted equity. For the Group restricted reserves reclassified to profit brought forward also included the equity share of non-taxed reserves, which amounted to TSEK 108,016 at 2013-01-01 and TSEK 171,884 at 2013-12-31. The reserves of TSEK – 97 consists of accumulated translation differences for 2013 of foreign operations. An adjustment of deferred tax receivables by TSEK -2,926 and deferred tax liabilities by TSEK -5,365 has been made due to changed untaxed reserves during 2013. The effect on equity was TSEK 2,439 for the year 2013, of which TSEK 2,201 affected net income.

o) Reclassifications of provisions

According to IAS1 provisions shall be recorded as short or long term liabilities. The Groups other provisions has been assessed as long term liabilities (TSEK 10,812).

p) Netting of deferred tax

Deferred tax receivables at an amount of TSEK 9,028 has been netted against deferred tax liabilities at 2013-12-31. IAS12 requires that recorded deferred taxes shall be netted if both the receivable and the liability concerns the same tax authority. For the Group the effect is that deferred tax receivables will be netted against deferred tax liabilities with the exemption of items concerning transactions in the United Kingdom where deferred tax receivables are not netted.

q) Intangible current assets

A reclassification of TSEK 503 has been made from other receivables to current intangibles assets attributable to emission rights.

Parent company report

Statement of income and other comprehensive income

	Note(s)	Jan-Dec 2014	Jan - Dec 2013
Net sales	2	581,170	560,448
Cost of services provided		-561,704	-479,009
Gross income:		**19,466**	**81,439**
Cost of sales		-1,837	-1,499
Administrative costs		-22,161	-53,250
Other operating income	3	9,912	150
Other operating costs	4	-	-1,670
Operating income:	5, 6 7, 8	**5,380**	**25,170**
Profit from shareholdings	9	16,821	10,240
Interest and similar income	10	33,504	22,077
Interest and similar costs	10	-44,170	-35,632
Income after financial items:		**11,535**	**21,855**
Tax on income for the year	11	53	-2,956
Net Income:		**11,588**	**18,899**

Statement of financial position

	Note(s)	2014-12-31	2013-12-31	2013-01-01
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	12			
Licenses and IT system		175	263	350
		175	**263**	**350**
Financial assets				
Investments in group companies	13	65,161	65,161	80,971
Claims on group companies		320,000	-	-
Investments in associated companies	13	1,067	1,067	1,067
Deferred tax receivables	11	-	-	1,474
Non-current financial receivables	14	477	14,926	13,300
		386,705	**81,154**	**96,812**
TOTAL NON-CURRENT ASSETS		**386,880**	**81,417**	**97,162**
CURRENT ASSETS				
Other current assets				
Trade receivable	15	31,321	32,946	28,961
Claims on group companies		139,423	376,686	201,905
Other receivables	16	9,394	33,942	285
Prepaid costs and accrued income	17	11,251	10,041	5,741
		191,389	**453,615**	**236,892**
Cash and cash equivalents	18	964	58,572	-
TOTAL CURRENT ASSETS		**192,353**	**512,187**	**236,892**
TOTAL ASSETS		**579,233**	**593,604**	**334,054**

	Note(s)	2014-12-31	2013-12-31	2013-01-01
EQUITY AND LIABILITIES				
EQUITY	19			
Restricted equity				
Share capital		27,005	27,005	27,005
Restricted reserves		7,857	7,857	7,857
		34,862	**34,862**	**34,862**
Unrestricted equity				
Profit brought forward		**6,914**	**-11,984**	**-2,643**
Unrestricted reserves		**6,751**	**6,751**	**6,751**
Net income for the year		11,588	18,899	8,374
		25,253	**13,666**	**12,482**
TOTAL EQUITY		**60,115**	**48,528**	**47,344**
NON-TAXED RESERVES	20	1,460	1,460	1,460
NON-CURRENT LIABILITIES				
Liabilities to bond-holders	21	491,202	488,562	-
Other non-current liabilities		1,642	-	10,322
Deferred tax liabilities	11	1,248	1,393	-
		494,092	**489 955**	**10,322**
CURRENT LIABILITIES				
Bank overdraft	22	-	26,776	33,384
Trade payables		12,980	15,263	20,121
Liabilities to group companies		-	346	205,788
Tax liabilities	11	163	1,479	1,403
Other current liabilities		1,602	1,820	12,923
Prepaid income and accrued costs	23	8,821	7,977	1,309
		23,566	**53,661**	**274,928**
TOTAL EQUITY AND LIABILITIES		**579,233**	**593,604**	**334,054**
Pledged collaterals	25	see note	see note	see note
Contingent liabilities	25	see note	see note	see note

Statement of changes in equity

	Note(s)	Share capital	Restricted reserves	Unrestricted equity	Total shareholders' equity
Opening balance per 2013-01-01		27,005	7,857	17,708	**52,570**
Effect of policy change to RFR2	26	-	-	-5,226	**-5,226**
Opening balance IFRS Jan 1, 2013		**27,005**	**7,857**	**12,482**	**47,344**
Total comprehensive income for the year		-	-	18,899	**18,899**
Result from merge		-	-	-6,914	**-6,914**
Dividend paid		-	-	-10,802	**-10,802**
Closing balance Dec 31, 2013		**27,005**	**7,857**	**13,665**	**48,527**
Opening shareholders' equity, Jan 1, 2014		27,005	7,857	13,665	**48,527**
Total comprehensive income for the year		-	-	11,588	**11,588**
Closing balance Dec 31, 2014		**27,005**	**7,857**	**25,253**	**60,115**

Statement of cash flows

	Note(s)	Jan - Dec 2014	Jan - Dec 2013
Operating activities			
Operating income		5,380	25,170
Adjustments for non-cash items	18	1,846	-337
Income tax paid		-1,408	-1,443
Cash flow from operating activities before changes in working capital		**5,818**	**23,390**
Change in short term receivables		-59,112	-198,079
Change in short term liabilities		-472	-218,748
Cash flow from operating activities		**-53,766**	**-393,437**
Investing activities			
Investments in group companies		-	-268
Investments in other financial fixed assets		-312	-30
Sale of other financial fixed assets		18,101	-
Interest received		30,297	20,481
Dividend received		16,821	819
Cash flow from investing activities		**64,907**	**21,002**
Financing activities			
Corporate bond loan issue		-	500,000
Amortisation on loans and changes in bank overdraft		-26,776	-6,608
Change in other non-current liabilities		-	-10,322
Interest paid		-41,013	-34,761
Group contribution paid		-500	-6,500
Dividend paid		-	-10,802
Cash flow from financing activities		**-68,289**	**431,007**
Cash flow for the year		**-57,148**	**58,572**
Cash and cash equivalents at beginning of period		58,572	-
Effect of exchange rate changes on cash and cash equivalents		-460	-
Cash and cash equivalents at end of the year	**18**	**964**	**58,572**

Parent company notes

Note 1 - Significant accounting policies

A description of the accounting principles for the Group can be found in note 1 to the Group's financial reports. The Parent Company has prepared annual report in accordance with the Swedish Annual Accounts Act (SAAA) and the Swedish Financial Reporting Board's recommendation RFR2 - Accounting for legal entities. Applying the recommendation RFR2 means that the Parent Company adopts the EU approved IFRS standards to the extent limited by the SAAA and considering differences between accounting and taxation. The Parent Company applies different accounting principles compared to the Group in the following areas.

Classifications and statement forms
The Parent Company income statement and statement of financial position is prepared according to the schemes of SAAA. The difference compared to IAS1 – Presentation of financial statement is mainly the presentation of financial income and costs and equity.

Group contributions
The Parent Company accounts both paid and received group contributions as financial items in the statement of income, in accordance with the principle rule of RFR 2.

Shares in Group companies
Shares in Group companies are recorded at acquisition value reduced by potential impairments. Business combination costs and potential supplemental purchase price are included in the acquisition value. At the time of an indication of impairment a calculation of the recoverable amount is carried out. If the recoverable amount is deemed lower than recorded value an impairment is made and recorded in the item "profit from shareholdings".

Financial instruments
The Parent Company does not apply IAS39 – Financial instruments: accounting and valuation, the company applies an acquisition method according to SAAA.

Leasing
All leasing agreements are classified as operating leases.

Guarantees
The Parent Company has outstanding guarantees for the benefit of subsidiaries. Such guarantees are classified as financial guarantees according to IFRS. The Company applies exemption rule RFR2 (IAS39 p2) and records these guarantees as pledged collaterals. When the Parent Company deems it probable that an outflow of resources is required to settle such obligation, a provision is made.

Deferred taxes
Non-taxed reserves constitutes temporary taxation differences. Due to the connection between taxation and accounting in a legal entity the deferred tax liability is recorded as a part of non-taxed reserves.

IFRS standards and interpretations that have come into effect 2014 affecting the company's financial statements
IFRS12 Disclosure of interest in other entities is a new standard for disclosures of investments in entities, joint arrangements, associated companies and investments in other entities which are not consolidated. This standard affect the Company's annual financial statements in the way that extended information are given about shares in associated companies.

New IFRS standards and interpretations that not yet have come into effect
IFRS9 Financial instruments handles the classification, valuation and accounting of financial assets and liabilities. It replaces the parts of IAS39 that handles classification and valuation of financial instruments. This standard is not assessed to have an impact for the Parent company.

IFRS15 Revenue from contract with customers. This standard may have an impact for the company. A complete analysis of the effects has not yet been made.

Note 2 – Net sales

	2014	2013
Air freight services	579,790	554,536
Other revenue	1,380	5,912
Total	**581,170**	**560,448**

Financial data per geographical area

	Scandinavia	UK	Europe	Total
Revenue from external parties	507,228	-	73,942	581,170

Trade with subsidiaries
During 2014, the purchases of services from subsidiaries amounted to TSEK 400,389 (351,518) and sales to subsidiaries amounted to TSEK 217 (9,168).

Note 3 – Other operating income

	2014	2013
Operating foreign exchange currency gains	9,912	150
Total	**9,912**	**150**

Note 4 – Other operating costs

	2014	2013
Operating foreign exchange currency losses	-	1,670
Total	**-**	**1,670**

Note 5 – Operating costs

	2014	2013
Subcharter costs	374,046	176,831
Jet Fuel	87,803	83,673
Direct operating costs*	80,878	67,238
Other operating costs	42,975	206,016
Foreign exchange currency losses	-	1,670
Total	**585,702**	**535,428**

** Consists of Landing, navigation and handling charges*

Note 6 – Staff costs and directors' remuneration

Employees
The company has no employees. No salaries or other remunerations has been paid.

Board of directors
The 2013 AGM decided that a total remuneration of TSEK 200 should be paid to non-shareholding directors without any continuous engagements in the Group, corresponding to TSEK 100 per board member. The AGM 2014 decided that a total remuneration of TSEK 300 should be paid up until the next AGM, corresponding to TSEK 150 per board member. During 2014 TSEK 175 has been paid to board member Mr Fredrik Lindgren.

Note 7 – Remuneration to auditors

	2014	2013
Grant Thornton		
Audit	526	558
Auditing services in addition to audit	173	43
Tax advisory services	54	83
Other assignments	110	364
Total	**863**	**1,048**

Note 8 – Operating leasing

The company rented a hangar, leasing cost for the year amounted to TSEK 115 (122).

Note 9 – Profit from shareholdings

	2014	2013
Dividend received	16,821	819
Income from sale of West Air Luxembourg S.A	-	9,421
Total	**16,821**	**10,240**

Note 10 – Financial income and costs

Financial income

	2014	2013
Interest income from cash and cash equivalents	346	1,322
Interest income from subsidiaries	29,951	19,159
Interest income from financial loan receivables at deferred acquisition value	1,979	1,596
Income from sale of financial loan receivables	1,228	-
Total	**33,504**	**22,077**

Financial costs

	2014	2013
Interest costs from loans at deferred acquisition value	-43,652	-29,093
Foreign exchange currency losses	-18	-
Group contribution paid	-500	-6,500
Other financial costs	-	-39
Total	**-44,170**	**-35,632**

Note 11 - Taxes

	2014	2013
Recorded tax		
Current tax on profit for the year	-39	-2,927
Adjustment of previous years' current tax	-53	-29
Deferred tax from temporary differences	145	-
Total	**53**	**-2,956**

	2014	2013
Reconciliation recorded tax		
Income before tax	11,535	21,855
Swedish income tax (22 %)	-2,538	-4,808
Profit sale of subsidiary West Air Luxembourg S.A - non-taxable income	-	2,072
Dividends from subsidiaries - non-taxable income	3,701	180
Adjustment of previous years' current tax	-53	-29
Non-deductible expenses	-585	-1
Non-recorded taxable income	-597	-430
Other items	125	60
Total	**53**	**-2,956**

	2014	2013
Recorded deferred tax		
Loans	-1,248	-1,393
Total	**-1,248**	**-1,393**

Note 12 – Intangible assets

	Licenses and IT Systems
Accumulated acquisition value	
Opening balance 2013-01-01	438
Closing balance 2013-12-31	**438**
Opening balance 2014-01-01	438
Closing balance 2014-12-31	**438**
Accumulated depreciation and impairment	
Opening balance 2013-01-01	-88
Depreciation for the year	-87
Closing balance 2013-12-31	**-175**
Opening balance 2014-01-01	-175
Depreciation for the year	-88
Closing balance 2014-12-31	**-263**
Net book value	
As per 2013-01-01	350
As per 2013-12-31	263
As per 2014-01-01	263
As per 2014-12-31	175

All depreciation has been allocated to cost of services provided.

Note 13 – Shares in Group and associated companies

Shares in Group companies

	2014-12-31	2013-12-31
Opening acquisition value	65,161	80,971
Acquisition of West Atlantic Aircraft Management AB, through merger	-	10,000
Acquisition of West Air Sweden AB, through merger	-	17,100
Acquisition of West Atlantic S.A.	-	268
Sale of West Air Luxembourg S.A	-	-3,178
Disposal of West Air Holding AB, through merger	-	-40,000
Closing recorded value	**65,161**	**65,161**

Company	Incorp. No:	Domicile	Capital share	Voting share	Shares	Book value
West Air Sweden AB	556062-4420	Gothenburg, Sweden	100%	100%	15,000,000	17,100
West Atlantic Aircraft Management AB	556609-4800	Gothenburg, Sweden	100%	100%	10,000,000	10,000
Atlantic Airlines Ltd.	50509096	Coventry, United Kingdom	100%	100%	1,000	34,856
Glackt Ltd.	8798946	Coventry, United Kingdom	100%	100%	1,000	-
Norway Aviation Services AS	895234362	Oslo, Norway	100%	100%	1,000	122
European Aviation Maintenance Ltd	119476C	Isle of Man	100%	100%	2,002	2,815
West Atlantic S.A.	B1766468	Bertrange, Luxembourg	100%	100%	1 ,000	268
						65,161

The parent company is deemed to have controlling influence over the subsidiaries based on the voting share.

Shares in associated companies

Company	Incorp. No	Domicile	Capital share	Voting share	Shares	Book value
Flyguppdraget Backamo AB	556570-7322	Ljungskile	30.0%	30.0%	300	1,000
VACS AB	556814-3241	Stockholm	33.0%	33.0%	167	67
						1,067

Both of the associated companies are active in the aviation sector, more specifically, air transport, crew training and trading of communication and positioning equipment. The associated companies are not deemed material by the Group, which is based on both the size of the investment and the nature of the companies' business.

Financial information*

Associated companies in total	2013-12-31	2012-12-31
Total equity	3,408	3,427
Recorded value, Group's share	1,067	1,067
Income from continuous operations	-39	-7
Other comprehensive income	-	-
Total comprehensive income	-39	-7
Group's share	-11	-2

The investment in Flyguppdraget Backamo AB further contains an option to acquire the remaining 70 % of the company. The option can be exercised from July 1 to November 30, 2015 before expiring. Further, a related party has an option to acquire 50 % of the Group's shares, including the potential shares potentially acquired through exercising the option. Both these options can be exercised in the period December 1 through December 15, 2015, before expiring.

** Considering the criteria of materiality the Group's share of the comprehensive income has not been recorded in the Group accounts. Since Annual reports for 2014 is not, whereby information is provided from the latest approved annual report, 2013.*

Note 14 – Non-current financial receivables

	2014-12-31	2013-12-31
Promissory note	-	14,896
Deposits	447	-
Other financial receivables	30	30
Total	**477**	**14,926**

Note 15 – Trade receivables

	2014-12-31	2013-12-31
Trade receivables, gross	31,523	32,946
Whereof provisions for bad debt	-202	-
Total	**31,321**	**32,946**

Changes in provisions for bad debt:

	2014	2013
Opening balance 2014-01-01	-	-
Provisions for bad debt	-202	-
Total	**-202**	**-**

For age structure and credit risk, please see note 24.

Note 16 – Other receivables

	2014-12-31	2013-12-31
Balances on bank accounts	9,285	23,356
Valued added tax	-	9,049
Other receivables	109	1,537
Total	**9,394**	**33,942**

Note 17 – Prepaid costs and accrued revenue

	2014-12-31	2013-12-31
Prepaid costs	367	435
Accrued revenue	10,884	9,606
Total	**11,251**	**10,041**

Note 18 – Statement of cash flows and Cash equivalents

Adjustment for items not included in cash flow

	2014	2013
Depreciation	88	87
Foreign exchange differences	1,758	-424
Total	**1,846**	**-337**

Components of cash and cash equivalents

	2014-12-31	2013-21-31
Cash and Bank	964	58,572
Total	**964**	**58,572**

Utilised bank overdraft amounted to TSEK 0 (26,776). Non-utilised bank overdraft amounted to TSEK 50,000 (23,224). Please see note 22 for further information.

Note 19 – Equity

Share Capital

The share capital is made of up 27,004,640 shares at value SEK 1.00. There is only one class of shares, all with equal voting rights.

Changes in equity

The information requirement according to the Swedish Annual Accounts Act, chapter 5, §14, regarding reconciliation of equity is covered in the report of shareholders equity for the parent company, please see page 35.

Note 20 – Non-taxed reserves

	2014-12-31	2013-12-31
Periodical tax reserve, tax 2010	64	64
Periodical tax reserve, tax 2011	135	135
Periodical tax reserve, tax 2012	1,261	1,261
Total	**1,460**	**1,460**

The deferred tax relating to non-taxed reserves amounts to TSEK 321 (321).

Note 21 – Corporate bond loan

The corporate bond loan, amounting to TSEK 500,000 was issued May 8 2013 with a duration of five years with maturity at May 8 2018.

The loan has a fixed coupon of 8 %, payable in arrears (May and November).

For pledged collaterals, please see note 25.

Note 22 – Bank overdraft

Available bank overdraft in SEK and foreign currency amounts to TSEK 50,000 (50,000), whereof TSEK 0 (26,776) was utilised as per closing date.

Corporate floating charges of TSEK 67,900 (67,900) has been pledged as collateral.

Note 23 – Prepaid revenue and accrued costs

	2014-12-31	2013-12-31
Accrued interest payable	5,808	5,808
Prepaid revenue	368	-
Other items	2,645	2,169
Total	**8,821**	**7,977**

Note 24 – Financial risk management and financial instruments

Risk and Risk management

The Parent company is exposed to credit, liquidity and interest rate as well as currency risks in the course of its normal business.

Risks and risk management corresponds to the Group's, please see not 30 for the Group. The tables below illustrates the maturities for trade receivables and financial liabilities including estimated interest payments. In addition the profile of interest-bearing financial instruments are illustrated.

Credit risk

Trade receivables	2014-12-31	2013-12-31
Not overdue	26,176	20,296
Overdue 0-30 days	4,361	10,532
Overdue 30-60 days	607	2,118
Overdue 60-90 days	-	-
More than 90 days overdue	379	-
Total	**31,523**	**32,946**

The table above only included trade receivables excluding provisions. The Company does not have any significant other overdue receivables either at 2014-12-31 or 2013-12-31. Overdue balances are not provisioned if management is confident that the balance can be recovered in full.

Liquidity risk

Liquidity risk is the risk that the Parent company may not meet its obligations upon falling due. The following are the contractual maturities of the financial liabilities, including estimated interest payments:

Maturities of the financial liabilities, incl. estimated interest payments	Bond loan	Trade and other payables	Total	Bond loan	Trade and other payables	Total
TSEK	2014-12-31	2014-12-31	2014-12-31	2013-12-31	2013-12-31	2013-12-31
Less than one year	40,000	14,622	54,622	40,000	17,136	115,130
Between one and five years	640,000	-	640,000	680,000	-	680,000
More than five years	-	-	-	-	-	-
Total	**680,000**	**14,622**	**694,622**	**720,000**	**17,136**	**694,622**

Maturities of financial liabilities including interest are shown in the previous table, excluding utilised bank overdraft. The bank overdraft which amounts to TSEK 50,000, are prolonged by one year at a time at year end. The Bond loan of nominal TSEK 500,000 mature by 2018-05-08.

Interest rate risk

At the closing date the interest rate profile of the parent company's interest-bearing borrowings was:

Interest-bearing financial instrument profile	2014-12-31			2013-12-31		
	Fixed rate	Variable rate	No rate	Fixed rate	Variable rate	No rate
Non-current financial receivables	-	-	477	14,896	-	30
Current receivables	-	-	40,801	-	-	57,148
Cash and cash equivalents	-	964	-	-	58,572	-
Bond loan, non-current	-491,202		-	-488,562		-
Bank overdraft	-	-	-	-	-26,776	-
Other current liabilities	-	-	-14,622	-	-	-17,136
Total	**-491,202**	**964**	**26,656**	**-473,666**	**31,796**	**40,042**

The previous table shows the allocation of the financial instruments of interest-bearing and non-interest bearing financial assets and liabilities. The Bond loan is fixed why the interest risk overall is insignificant.

Currency risk

The currency risk for the parent company follows the structure of the Group and is primarily related to expected payments in course of continuous operations. Risk management of foreign currencies follows the structure of the Group, please see note 30 for the Group. In addition there are risks connected to fluctuations in financial assets and liabilities, denominated in foreign currency.

Sensitivity analysis

As per December 31, 2014 an appreciation of 10 % of GBP and USD would incur no significant effects on the parent company's net income. Calculations are based on variables denominated in foreign currency being fixed, in order to reflect currency sensitivity. The analysis is not to be construed as a complete sensitivity analysis but rather as an indication of the Group's sensitivity and exposure to foreign currencies.

Fair value and booked value on financial assets and liabilities

	Dec 2014		Dec 2013	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Other long term financial receivables	477	477	14,926	14,926
Other receivables incl. trade receivables	40,801	40,801	57,148	57,148
Cash and cash equivalents	964	964	58,572	58,572
Total	**42,242**	**42,242**	**130,646**	**130,646**
Financial liabilities				
Loans incl. bank overdraft*	491,202	525,000	515,338	526,776
Other liabilities incl. trade payables	14,622	14,622	17,136	17,136
Total	**505,824**	**539,622**	**532,474**	**543,912**

** The trading of the corporate bond loan started in 2014-04, which explains the higher fair value compared to booked value at 2014-12-31*

Fair value is normally determined by official market prices. When market prices are missing, fair value normally is determined by generally accepted valuation methods, such as discounted future cash flows based on available market information.

The Group's financial assets and liabilities are valuated at fair value according to below:

Level 1: Market prices (unadjusted) listed on an active market for identical assets or liabilities
Level 2: Other observed data for the asset or the liability than noted prices included in level 1, either direct (as price adjustments) or indirect (derived from noted prices).
Level 3: Fair value determined out of valuation models, where significant data is based on unobservable data. At the moment, the Group has no assets and liabilities valuated according to this level.

At 2014-12-31, the company has no financial assets or liabilities, valuated at fair value in the income statement.

In level 1, the following items are classified: trade receivables and other receivables, cash and cash equivalents, trade payables, short and long term liabilities and loans. Valuation is made at deferred acquisition value, which corresponds to nominal values adjusted with additional or deductible valuation items.

In level 2, the following items are classified: Non- interest-bearing long term financial receivables valuated at deferred acquisition value and where the interest that is used to discount the amount to the acquisition value, is derived from a notation and an assessment is performed by the Group. Further: Derivatives where valuation is made at fair value for foreign currency exchange agreement, which are based on exchange rates published on an active market.

Note 25 – Pledged collaterals

Pledged collaterals

	2014-12-31	2013-12-31
Business floating charges	67,900	67,900
Bank accounts	427	58,572
Intra-group loan	320,000	320,000
Shares in subsidiary	10,000	10,000
All rights under current and future lease agreements	-	-
Total	**398,327**	**456,472**

Business floating charges concern liabilities to credit institutions.

Intra-group loan concern liabilities to bond-holders.
Shares in subsidiaries concern liabilities to bond-holders.

Contingent liabilities

	2014-12-31	2013-12-31
Guarantees for subsidiaries	187,857	167,339
Total	**187,857**	**167,339**

The guarantees concern subsidiaries engagements with credit institutions and aircraft lessors.

Note 26 – First time adopting RFR 2

The Parent Company transitioned to RFR 2 on the 1st January 2013, which corresponds to the Group's transition date to IFRS. The transition has meant the following effects on the equity of the Parent Company. For more details please see note 34 for the Group, first time of adopting IFRS reference c) and h).

	2013-01-01	2013-12-31
Equity according to previously applied principles and approved balance sheet	**52,570**	**43,587**
Accumulated effect of transition to RFR2 previous period	-	-5,226
Effect of transition to RFR2 including deferred tax:		
Other non-current receivables, valued at deferred acquisition value	-5,226	1,245
Loans, valued at deferred acquisition value	-	8,922
Total effect on profit brought forward, including comprehensive income for the period.	**-5,226**	**10,167**
Total effect on equity of the transition to RFR2	**-5,226**	**10,167**
Equity adjusted according to new principles	**47,344**	**48,528**

Corporate governance

West Atlantic AB (publ) is the Parent Company of the West Atlantic Group's operations and a Swedish public limited company headquartered in Gothenburg, Sweden. Since April 2014, West Atlantic AB (Publ) has had a Senior Secured Bond (WEST 001) listed on the NASDAQ OMX Stockholm, Corporate Bond. The objective of corporate governance is to provide West Atlantic with effective management and control of its operations in combination with providing transparency, clarity and proper business ethics.

Code of practise

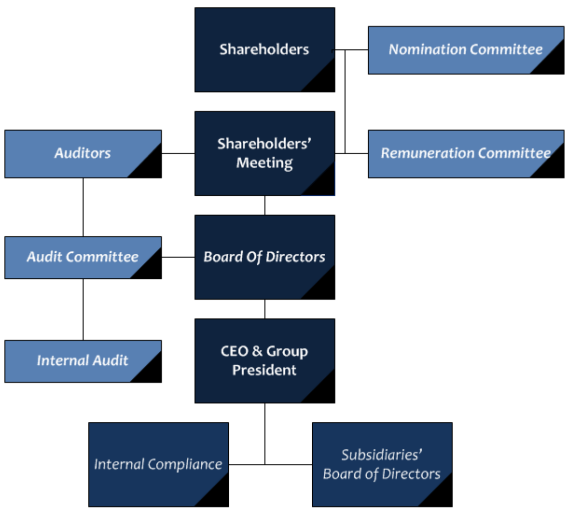
The governing rules and regulations for West Atlantic AB (publ) and its subsidiaries are:

- Swedish legislation and other National laws and/or regulation where the Group has operations
- NASDAQ OMX Rules for Issuers
- The Company's Articles of Association
- Internal Policy framework – Code of Conduct, information/IR policy
- Work plan for the Board of Directors and its instructions to CEO and Group President
- Recommendations from relevant organisations

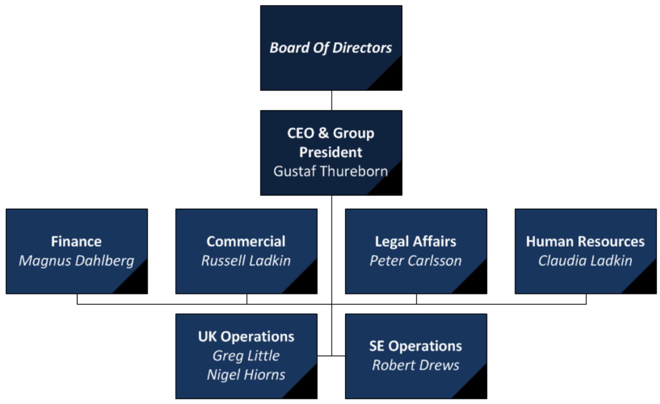
Per its understanding, West Atlantic is compliant with its Code of Practise and to this date, neither NASDAQ's Disciplinary Committee nor the Swedish Securities Council has reported a breach of the exchange rules or of good market practices. The Swedish Corporate Governance Code has not been fully implemented by the Group since the shares are not publicly traded on a stock exchange and since that close to half of the shareholders are from the United States and the United Kingdom.

Organisational structure and governance control

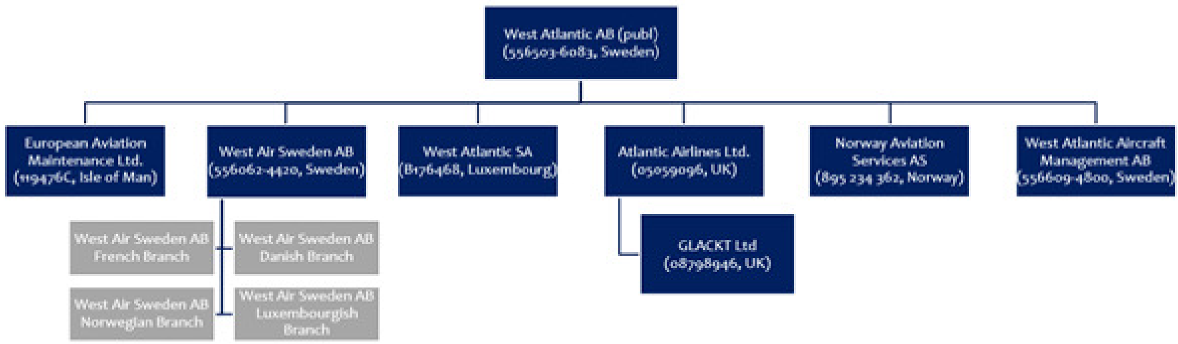
Governance structure



Reporting Structure



West Atlantic's Legal structure



Shares and investments in associated companies (parent)	Share control
Flyguppdraget Backamo AB (556270-7322, Sweden)	30%
VACS AB (556814-3241, Sweden)	33%

Risks and risk management

West Atlantic is exposed to a large number of global and Group specific risks that can impact operations and the financial performance as well as the financial position of the Group. The foreseeable risks are identified and monitored centrally through policies. Risk management in the Group is about positioning the Group properly in response to possible events.

Air cargo operations – Safety always comes first

By having our cornerstone made of safety, West Atlantic successfully has geared the foundation, skills and culture of all employees. The West Atlantic way includes active learning and adapting individual and organisational behaviour to constantly improve operations and reduce exposure to risk. Through the European Aviation Safety Agency's (EASA) introduction in 2014 of Safety Management System requirements, West Atlantic further continues its improvement regime to refine its operations and safety awareness.

Thereto, by operating through two airlines, the most obvious risks is potential aircraft incidents, which carry significant liability if incurred. Such incidents can result in material damage and personal injury. Consequently, the liability of such may impair the Group's financial position and earnings. In response, the Group has substantial insurance cover with a combined single limit of USD 1 billion, for any one occurrence or each aircraft and in the annual aggregate – in line with best market practice. However, the Group has no insurances for lost profit given the operational complexity and the plethora of variables involved, which makes such insurance exceptionally costly in relation to the value of such protection. The Group has of this date not suffered from any major accidents and performs its maintenance activities in accordance with current best practice and EASA CAMO/PART145 regulations.

Further, to ensure operational proficiency and safety all crewmembers must undergo regular recurrent training, tests, health checks and simulator training, in order to maintain their knowledge, expertise and skills in both normal and emergency situations. Maintenance staff are also subject to recurrent training to ensure consistency with maintenance plan and be up to date on current good maintenance practice.

As the Group owns a large aircraft fleet, with a majority of aircraft of the same type, an incident can have material effect of the status and residual valuation for the concerned aircraft. The Group can also be subject to consequential changes in manufacturers' maintenance requirements, which can have a material effect on cost levels. Therefore, adherence to approved maintenance plans, safety limitations, continuous safety evaluations and round-the-clock situational awareness is of utmost importance.

Moreover, regulation of the airline industry entails that airlines are exposed to political decisions that can impact profitability. Further, the Group faces the general risks of the aviation sector, which consist of, but are not limited to, natural catastrophes, acts of god, terrorism and other risks outside of the Group's control. Such risks can be both aircraft and airport specific and the industry is highly susceptible to adverse economic developments.

Market and Commercial risks

Demand for regional air cargo capacity is powered by economic activity and postal concession requiring overnight service by air transport. Therefore, if national mail organisations' concessions ceased to be required to performed overnight mail, the demand for air transport may reduce.

For example, In Norway the EU's third Postal Directive has been under political review and such implementation would open for free competition on deliveries of letters, which may lead to reduced weekly deliveries and thus fewer flights required.

In addition, another significant market trend is that less mail is sent by post. If this trend continues or accelerates, it may have an adverse effect on the Group's net sales, financial position and earnings. Mail volumes have continued to decrease but was compensated up to a small volumetric annual increase, given increased number of smaller parcels that are transported together with mail, driven by e-Commerce.

Meanwhile, economic growth has been slow to recover since the financial crisis but slowly started to gain momentum during 2014, following five years of recession-like development with few additional requirements. In general, West Atlantic has a strategy of growing with its customers, not to speculate in adding capacity or capability without having first secured demand in the pipeline.

Following the strategy of growing with customers, West Atlantic brings additional capacity/capability if demand is sufficient to yield a future profitable operation. The Group has therefore continued its fleet expansion with Boeing 737, combined with successful placement of the 8-tonne capacity on new routes. Customer demand for the Boeing 767 is in the pipeline, the capability and capacity to satisfy this is being introduced during 2015.

Moreover, in the Cargo operation niche, quality is imperative and West Atlantic continuously has to provide a regularity of 99 per cent.

Financial risks, capital- and credit market conditions

Volatility on capital and credit markets may cause the Group to have variable access to capital markets, where funding may be more or less available. In the event that current resources and financial performance do not satisfy the Group's financial requirements, it may have to seek additional financing, or be forced to renegotiate financial instruments on less than favourable terms. To counter such financial risks The Group has a long term financing plan in place, which consists of a mixed portfolio with a five-year corporate bond, loans and financial leasing as well as bank overdraft facility to even out seasonality in cash flows.

Following seasonality in cash flows, the Group has enacted policies for minimum operational liquidity. The Group requires liquidity to service operating expenses and interest on debt as well as to repay maturing liabilities. Without sufficient liquidity, the Group may be forced to curtail its operations. Therefore, the Group has implemented a cash pooling solution for a majority of the Group's holdings with a central credit facility that it may draw upon, if needed to offset flows.

Exchange rate and interest rate fluctuations

Although the Group's central common currency is SEK; West Atlantic also has revenue in, NOK, USD, EUR and GBP. Upon consolidation Subsidiaries' earnings and financial positions are translated to SEK. Therefore, exchange rates influence the magnitude of revenues and costs in SEK. West Atlantic has implemented a policy where inflows in currencies shall correspond to outflows, whereby the Group counters the downside risk in earnings via foreign exchange rate adjustment clauses or multi-currency inflows from customers.

Moreover, for the financial position the Group's balance sheet is essentially structured in SEK with a majority of financing in SEK and virtually all tangible assets recorded at acquisition value in SEK, including aircraft that are generally valued in USD.

However, the Group has finance leasing agreements for multiple aircraft based in USD with corresponding tangible assets recorded at acquisition values in SEK. Therefore, appreciation of the USD versus SEK would incur a financial non-realised exchange rate loss, as leasing debt is re-valued. One per cent appreciation in USD over SEK would incur a non-realized exchange rate loss of TSEK 800 at closing of accounts from the leasing debt.

In addition, changes in the interest rates can have an adverse effect on earnings and financial position. However, following the Group's financial plan, over 95 per cent of the interest rate exposure is long-term fixed at closing date.

Credit risk

The Group is exposed to credit risk. The number of customers with financial difficulties increases during a recession and thereby also the Group's customer credit risk. It cannot be excluded that credit losses in relation to the Group's customers may have a material adverse effect on the business, operating results and financial position of the Group. However, the vast majority of the Group's customer are considered blue chip customers and consist of national mail organisation and Global Integrators.

Taxation and charges

West Atlantic conducts its business in accordance with its interpretation of applicable tax regulations and requirements. The Group cannot guarantee that its interpretation and application of laws, provisions, legal practice has been, or will continue to be, correct or that such laws, provisions and practice will not be changed, potentially with retroactive effect. If such an event should occur, West Atlantic's tax liabilities can increase or decrease, which could have a negative effect on the Group's earnings and financial position. However, the Group annually reviews its transfer pricing and tax policies throughout its operations to mitigate such risk, in accordance with the set code of conduct.

Nevertheless, during 2013 the Group sold its Luxembourg based airline West Air Luxembourg SA to an external party. Within the operations performed by West Air Luxembourg SA in France, the French authorities have claimed that staff, which historically operated domestically and internationally in France, should have been socially secured within the French republic. Thus, French authorities have claimed the Group for unpaid social charges and adhering operating taxes in France. The airline had employed all of the concerned staff in Luxembourg and paid all applicable social charges and taxes, whereby the maximum liability is expected to be the unpaid residual amount between French and Luxembourgish social charges and/or taxes plus any applicable penalties. However, these claims are not yet fully resolved and could therefore have a negative effect on the Group's future earnings and financial position going forward.

Changes in Jet fuel prices

Whilst the Group is continuously working on cost efficiency, if the price for aircraft fuel increase, the Group's services may become less attractive as other transportation alternatives may become more cost-efficient. Volatile pricing of fuel materials can have an adverse effect on the Group's turnover, financial position and earnings. Consequently, following the Group's risk policy, customers generally carry the majority of the fuel risk.

Environment

Environmental risks are predominately linked to the Group's operation of carbon dioxide emitting combustion engines. The Group annually reports its emissions in accordance to the EU Emission Trading Scheme, comply and compensate all applicable emissions with carbon allowances. West Atlantic are active supporters of green efficient air transport and have made significant progress in reducing CO2 emission per kg payload carried during its 20 years of operation.

Risk review and outcome 2014

Market risks	Risk level	Risk Management Policy	Outcome FY2014
Changes in political policies for Postal Concessions If national mail organisations' concessions ceased to be required to performed overnight mail, the demand for air transport may reduce.	Low	Monitor the political area and continue developing integrated networks for mail and lighter parcels with the national mail organisations, forming backbones in the stem networks for postal services.	In Norway, the EU's third Postal Directive have been under political review and such implementation would open for free competition on deliveries of letters, which may lead to reduced weekly deliveries.
Macroeconomic development Demand for additional regional air cargo capacity is powered by economic growth	Low	West Atlantic has a strategy of growing with its customers and therefore not to speculate in adding capacity or capability without identified demand in the pipeline. During recessions, our customers' network growth become halted but very seldom do they shrink.	Economic growth has been slow to recover but slowly started to gain momentum during the year, following five years recession-like development with little added air requirements. Clear pick-up in additional demand in late 2014.
Market development - Performance and quality of service The Group operates on a market were quality of service is the main qualifying criteria to be an operator for national mail organisations and global integrators.	High	Safety is the number one priority, closely thereafter follows Reliability. West Atlantic is to complete all reasonable endeavours to ensure that the operation runs smoothly and on time for over 98 per cent of the flights performed.	Over 98 per cent of flights were dispatched on time and thus the Group succeeded in delivering the expected performance.
Market development - Consolidation Cargo routes driven towards consolidation to lower unit costs, increasing demand for larger aircraft.	Low	Following the strategy of growing with its customers bringing additional capacity/capability if demand is sufficient to yield a foreseeable future operation that is profitable.	Continued fleet expansion with B737. Successful placement of smaller capacity on new routes. Customer demand for B767 in pipeline, capability and capacity of which is being brought in.
Market development - Digitalisation leading to less mail Since the introduction of electronic communication less mail is sent by post. If this trend continues or accelerates, it may have an adverse effect on the Group's net sales, financial position and earnings	High	Policy of closely monitoring volume development across the network to observe trends. Historically, decreases in regular mail is offset by E-Commerce build-up in smaller mail parcels.	Mail volume has continued to decrease but has been compensated to a small annual volume increase given increased number of smaller parcels that are transported jointly with mail. This development is powered by overnight and time sensitive delivery from the increasing role and demand of E-Commerce.

Operating risks	Risk level	Risk Management Policy	Outcome FY2014
Labour relations	Mid	The Group has continuous discussions with employee representatives across the organisations.	No material development.
Incidents and accidents	Mid	The Group prioritises safety first in all operational regards.	No significant incident nor accident occurred during 2014.
Human factors	Mid	Annual training of staff in operations and continuous compliance monitoring with audit control functions in place.	Several instances of minor damage to aircraft during handling, where after Group has made modifications to protect aircraft and deployed additional measures to increase awareness amongst staff.
Crime and fraud	Low	Code of Conduct, internal control, safety reviews and analysis	No material crime or fraud has been identified in the Group during the year.
Heavily dependent on IT for operating activities.	Mid	IT Security that is effective in securing confidentiality, reliability, traceability and proper authorization.	Operations have not been affected by any computer hacking or other significant negative event.

Financial risks	Risk level	Risk Management Policy	Outcome FY2014
Credit risks WA is exposed through credits, lease agreements and guarantees to external parties.	Low	Policy of minimised exposure and lowest possible working capital employment. Weekly management reporting for mid-to-high risk receivables and monthly evaluation for all operating receivables.	In total, the Group made reservations for illiquid claims amounting to TSEK 500, which are anticipated to not be paid in full.
Liquidity risk The airline industry is seasonal, affecting cash flow variable during the year.	Mid	Following the seasonality in cash flow, the Group has enacted policies for minimum operational liquidity that is to be held.	The Group has implemented a cash pooling solution for a majority of the Group's cash holdings and hold a central credit facility that it may draw upon, if needed, to offset outflows.
Fuel prices Jet fuel comprises about a tenth of WA's expenses in 2014, which exposes the company to changes in price.	Low	The Group has a policy where customers virtually carry the majority of the fuel risks.	Changes in Jet fuel prices have not had a significant effect on the Group's earnings, as the fuel adjustment clauses with customers have operated according to plan.
Interest rates Capital-intensive sector, exposes the Group to changes in interest rates.	Low	Long-term financing plans are in place and policy thereto. Majority of financing is to be on fixed interest rate to minimise volatility and ensure future long-term predictability.	Over 95 % of interest bearing debt is with fixed interest rate. Hence in accordance to policy and plan.
Exchange rates Revenues, expenses and assets/liabilities are in currencies other than SEK, leading to exchange rate effects.	Mid	The Group places virtually all operational FX-exposure on customers via currency adjustment or multi-currency pricing. The balance sheet has non-cash exposure in terms of appreciation/depreciation of debt in other currencies than SEK.	Earnings was significantly impaired by USD appreciation vs SEK leading to an increased accounted debt for financial leases in USD, as outflow is not hedged. Corresponding aircraft assets are recorded in SEK at acquisition values, as aircraft are not valued to market value in USD, which aircraft are priced in globally.

Legal and Political risks	Risk level	Risk Management Policy	Outcome FY2014
Taxes and fees directed at the airline industry The airline industry is subject to fees for take-off, landing, overflights, etc.	Mid	Active dialog with authorities and organizations.	The Group is a contributing member in European Regions Airline Association (ERA), a trade association representing the intra-European aviation industry. During the year cost levels for navigiation fees from Euro Control have decrease, given the started introduction of Single Skies in Europe, which ERA is working on with the corresponding agencies.
Compliance risks Infringement of laws or internal regulations	Mid	Internal policies and regulations, internal guidelines and the Code of Conduct.	The Group has legal proceedings underway in France related to social security contributions for staff that has been operated from time to time in France. No other material compliance matters have been noted.

Environmental risks	Risk level	Risk Management Policy	Outcome FY2014
Environmental directives and requirements Requirements for reduced environmental impact.	Mid	West Atlantic shall produce air freight services and perform its operations using the most efficient and green aircraft available - striving to minimize its carbon footprint.	No deviations from set procedures and policies. Carbon reporting and compliance according to plan.

Other risks	Risk level	Risk Management Policy	Outcome FY2014
Force majeure events, such as natural disasters, acts of terror, conflicts and/or epidemics Airlines are generally very susceptible to extraordinary events around the world.	Mid	West Atlantic diversifies its geographical footprint to different regions in order not be completely exposed at one single place at one point in time.	No major event has occurred, the year mostly included ATC strikes in Southern Europé and strikes in commercial passenger aviation leading to rescheduling and rebooking of positioning, in terms of events outside the Group's control.

Board of Directors

Göran Berglund – *Chairman of the Board (73 yrs. old)*

Dr Berglund was appointed chairman of the Board of West Atlantic AB (publ) in 1995. Dr Berglund does not hold any managing director position in the company nor in any of its subsidiaries but holds board director seats in West Air Sweden AB and West Atlantic Aircraft Management AB.

Dr Berglund holds a medical degree and previous work ranges from Dean of Medical Faculty at Lund University to engagements in private equity ventures and directorships since 1995. During four decades, Dr Berglund acquired significant knowledge of business strategy and management, especially from working with large and public organisations. Several of the companies have been listed and Dr Berglund has long experience from working with growth companies.
Shareholding: 10 058 559 shares.

Joseph Payne – *Member of the Board (50 yrs. old)*

Mr Payne has been a Director of West Atlantic AB (Publ) since 2014 but does not hold any managing director position in the company nor in any of its subsidiaries. During 2013, West Atlantic formed a strategic partnership with Air Transport Services Group, Inc. (ATSG), in which ATSG acquired a 25 per cent shareholding of West Atlantic AB (publ) via ATSG WEST Ltd, registered seat in Dublin, Ireland.

Mr Payne has been Senior Vice President and Corporate General Counsel of ATSG since March 2008 and has been its Corporate Secretary since January 1999. Mr Payne earned a Juris Doctor from the University of Dayton School of Law, and a Bachelor of Business Administration from the University of Cincinnati College of Business Administration, majoring in accounting.
Shareholding: 0 shares.

Fredrik Lindgren – *Member of the Board (44 yrs. old)*

Mr Lindgren has been a Director of West Atlantic AB (Publ) since 2013 but does not hold any managing director position in the company nor in any of its subsidiaries.

With an extensive background working with public companies Mr Lindgren is currently CEO (on leave), chairman or board member of four different listed companies - Hansa Medical AB, Exini Diagnostics Aktiebolag, ProstaLund AB and Image Systems AB. Since 1996, Mr Lindgren has been involved as CEO and/or board member of another five listed companies.
Shareholding: 0 shares.

Staffan Carlson – *Member of the Board (59 yrs. old)*

Mr Carlsson has been a Director of West Atlantic AB (Publ) since 2014 but does not hold any managing director position in the company nor in any of its subsidiaries. However, Mr Carlsson is the Chairman of the Board in the Group's collaboration partner (concerning aircraft management) Erik Thun AB.

Mr Carlsson has a background as CFO at Volvo Trucks and before that appointment held a number of positions as Director. Previous work has also included four years as CFO and responsible for Investor Relations for the healthcare provider Capio AB.

Shareholding: 0 shares.

Gustaf Thureborn – *Member of the Board, Chief Executive Officer & President (56 yrs. old)*

Mr Thureborn is an entrepreneur with key strengths in finance and business development. The extensive financial background includes ten years within an international financial institution, followed by five years in several corporate finance departments.

Serving as the Group's CEO and Group President, Mr Thureborn joined the airline industry in 1996 upon being appointed Managing Director for West Air Sweden AB. Mr Thureborn has since been responsible for West Atlantic Group's development into becoming a considerable part of the European regional airline community. Shareholding: 5 131 551 shares.

Group Management 2015

Gustaf Thureborn – *Chief Executive Officer & President*

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Magnus Dahlberg – *Chief Financial Officer*

Mr Dahlberg commenced his aviation career in 2001 as Finance Director for a Swedish regional passenger airline before joining West Air Sweden in 2002 as Finance Director. Between 1988 and 2001, Mr Dahlberg worked for an international financial institution, Skandinaviska Enskilda Banken (SEB), in a number of positions within the accounting and financial reporting division. Mr Dahlberg holds a university degree in Business Administration.
Shareholding: 0 shares.

Greg Little – *Chief Operating Officer*

Mr Little is the COO of the Group, responsible coordinating the Group's operations. Mr Little also serves as the General Manager of the UK airline, holding an Honours Degree in Engineering and joined the Atlantic Airlines Operations in 1993. Following Commercial appointments and Managing Operations for the light aircraft and the passenger division, Mr Little was appointed General Manager of Atlantic Airlines in 2004. Shareholding: 0 shares.

Robert Drews – *Group Tech. Director & Accountable Manager*

Mr Drews is the Accountable Manager for the Swedish and UK Airline and serves as the Group Technical Director, holding a university aeronautical degree, having accumulated over 25 years of experience in senior roles within aviation maintenance and operations, joining West Air Sweden in 1995 as Technical Manager Part 145 and Part M. Thereafter, Mr Drews was appointed Technical Director for Sweden in 2003, subsequently promoted to Group Technical Director. Shareholding: 0 shares.

Claudia Ladkin – *Director of HR*

Mrs Ladkin is the Human Resources Director for the West Atlantic group and since 2014 also holding the position as General Manager for the Luxembourgish and French branches of West Air Sweden AB. Mrs Ladkin holds a university degree in Business Administration, majoring in languages. Mrs Ladkin joined West Air Sweden in 1996 as the Human Resources and Administrative Manager.
Shareholding: 0 shares.

Russell Ladkin – *Chief Commercial Officer*

Mr Ladkin is responsible for West Atlantic Group's global sales activity, including strategic direction, development of new products and services, new markets and regions, customer relationship management, operational service delivery and marketing communications. Mr Ladkin joined the Group 1989, initially serving as a pilot accruing more than 6,000 flying hours for the airline. Mr Ladkin has held roles such as Director of Flight Operations and Managing Director. Shareholding: 2 025 348 shares.

Peter Carlsson – *VP Aircraft Management and Legal Affairs*

Mr Carlsson was appointed the VP Aircraft Management and Legal Affairs in 2014, after holding various finance and legal positions in the Group. Mr Carlsson holds a M.Sc. in Business and Economics with additional studies of Political Science at University. Following graduation and until joining West Air Sweden as Assistant Managing Director in 2006, Mr Carlsson held different positions in an international financial institution, SBAB AB. Shareholding: 0 shares.

Nigel Hiorns – *Director of Technical Operations UK*

Mr Hiorns was appointed Technical Director for Atlantic Airlines in 1998 and in 2001 took on the role of Engineering Director, running the day to day organisation and activities of the UK Engineering division. Mr Hiorns joined the Group 26 years ago as an Aircraft Technician, went on to Base Maintenance Manager and eventually Aircraft Serviceability Director, organising and controlling the maintenance activities for the UK fleet. Shareholding: 253 168 shares.

Rickard Asplund – *Director of IT*

Mr Asplund is the IT Director of West Atlantic holding a university degree in computer science and engineering and has accumulated over 15 years of experience as an IT professional in senior roles within aviation, consultancy and municipal activities. Mr Asplund joined the Group in 2011 as Group IT Manager, tasked with a complete restructure and consolidation of the Group's IT-platform, now succesfully completed. Shareholding: 0 shares.

Board assurance

The Board of Directors and the CEO of West Atlantic AB (publ) hereby provide their assurance that the Annual Report has been prepared pursuant to the Swedish Annual Accounts Act and the recommendation from the Swedish Financial Reporting Board "Accounting for legal entities" (RFR 2) and provides a true and fair view of the Parent company's financial position and earnings and that the Report by the Board of Directors provides a true and fair overview of the company's operations, financial position and earnings, as well as describes the significant risks and uncertainty factors to which the Parent company is exposed.

The Board of Directors and CEO and President of West Atlantic AB (publ) hereby give their assurance that the consolidated financial statements have been prepared pursuant to the International Financial Reporting Standards (IFRS) as adopted by the EU, and provide a true and fair view of the Group's financial position and earnings, and that the Report by the Board of Directors for the Group provides a true and fair overview of the performance of the Group's operations, financial position and earnings, as well as describes the significant risks and uncertainty factors to which the companies in the Group are exposed.

Gothenburg, Sweden, April 28, 2015

Göran Berglund
Chairman of the Board

Gustaf Thureborn
Member of the Board
President and CEO

Staffan Carlson
Member of the Board

Fredrik Lindgren
Member of the Board

Joseph Payne
Member of the Board

As stated above, the annual accounts and consolidated financial statements were approved for issuance by the Board of Directors on April 28, 2015. The Group's statement of income and balance sheet and the Parent Company's statement of income and balance sheet will be subject to adoption by the Annual General Shareholders' Meeting on May 26, 2015.

Auditor's report was submitted on April 28, 2015

Grant Thornton Sweden AB

Claes Jörstam
Authorized Public Accountant

Annual Shareholders' meeting
The West Atlantic Group's AGM will be held on May 26, 2015 at the Group's head office located Gothenburg (Prästgårdsgatan 1, 412 71 Gothenburg).

West Atlantic discloses the information contained in this annual report pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instrument Trading Act.

All financial reports are available in Swedish and English and can be found on the West Atlantic webpage. The reports can also be ordered electronically via investor.relations@westatlantic.eu

Auditor's report

To the annual meeting of the shareholders of West Atlantic AB (publ), corporate identity number 556503-6083

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of West Atlantic AB (publ) for the year 2014, except for the corporate governance statement on pages 40-45. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 12-46.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 40–45. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of West Atlantic AB (publ) for the year 2014. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and that the corporate governance statement on pages 40-45 has been prepared in accordance with the Annual Accounts Act

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year. A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Gothenburg, April 28, 2015
Grant Thornton Sweden AB

Claes Jörstam
Authorized Public Accountant

West Atlantic AB (publ)
Annual Report 2014
Production: West Atlantic
Photos: West Atlantic Image Bank

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