



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 989 757 113
Organisasjonsform: Aksjeselskap
Foretaksnavn: MENZIES AVIATION (OSLO) AS
Forretningsadresse: Sigrid Undsets plass
Terminalen
2060 GARDERMOEN

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Dominik Kamil Krol
Dato for fastsettelse av årsregnskapet: 09.02.2022

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 14.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue		183 457 364	449 057 375
Other operating income		16 242 550	1 218 685
Sum inntekter	2	199 699 914	450 276 060
Kostnader			
Personnel expenses	4, 5	154 340 496	344 539 120
Depreciation of operating and intangible assets	6	4 650 955	4 736 413
Other operating expenses	4	99 935 329	99 995 180
Sum kostnader		258 926 779	449 270 713
Driftsresultat		-59 226 865	1 005 347
Finansinntekter og finanskostnader			
Other financial income			28 553
Sum finansinntekter			28 553
Other financial expenses	8	4 674 301	5 069 769
Sum finanskostnader		4 674 301	5 069 769
Netto finans		-4 674 301	-5 041 216
Ordinært resultat før skattekostnad		-63 901 166	-4 035 870
Tax on ordinary result	9		
Ordinært resultat etter skattekostnad		-63 901 166	-4 035 870
Årsresultat	10	-63 901 166	-4 035 870
Årsresultat etter minoritetsinteresser		-63 901 166	-4 035 870
Totalresultat		-63 901 166	-4 035 870
Overføringer og disponeringer			
Transferred from other equity		-63 901 166	-4 035 870
Sum overføringer og disponeringer		-63 901 166	-4 035 870



Resultatregnskap

Beløp i: NOK	Note	2020	2019
---------------------	-------------	-------------	-------------



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Buildings and land			
Machinery and equipment	6	58 315 775	74 288 958
Equipment and other movables	6	201 797	178 246
Sum varige driftsmidler		58 517 572	74 467 204
Finansielle anleggsmidler			
Other long-term receivables		1 764 684	
Sum finansielle anleggsmidler		1 764 684	
Sum anleggsmidler		60 282 256	74 467 204
Omløpsmidler			
Varer			
Sum varer		348 486	195 123
Fordringer			
Accounts receivables	7	9 947 452	59 296 391
Other short-term receivables	8	13 158 818	20 838 757
Sum fordringer		23 106 270	80 135 149
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	3	46 269 248	66 096 715
Sum bankinnskudd, kontanter og lignende		46 269 248	66 096 715
Sum omløpsmidler		69 724 004	146 426 987
SUM EIENDELER		130 006 261	220 894 191

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2020	2019
Egenkapital			
Innskutt egenkapital			
Share capital	10, 11	2 000 000	2 000 000
Overkurs	10		187 900 083
Sum innskutt egenkapital		2 000 000	189 900 083
Opptjent egenkapital			
Other equity	10	-49 771 053	-173 769 970
Result brought forward (aut)			
Sum opptjent egenkapital		-49 771 053	-173 769 970
Sum egenkapital		-47 771 053	16 130 113
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		7 606 851	12 072 125
Public duties payable		12 007 732	30 787 015
Other current debt	7, 8	158 162 731	161 904 938
Sum kortsiktig gjeld		177 777 314	204 764 078
Sum gjeld		177 777 314	204 764 078
SUM EGENKAPITAL OG GJELD		130 006 261	220 894 191



Menzies Aviation (Oslo) AS
Org nr 989757113 MVA

Board of directors' report

Operations and locations

Menzies Aviation (Oslo) AS is 100% owned by Menzies Aviation Plc registered in UK. The company provides passenger, deicing and ramp services at Oslo Gardermoen Airport, Norway.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern.

The Covid-19 pandemic has had a great impact on the business of the company but we have taken significant actions in response, including cost saving measures, the application for and the receipt of significant government support and tight cash management. Specifically we are grateful to the Norwegian government for their support with both our labour and fixed costs.

We complete regular short to medium term cash flow forecasts which project sufficient cash resources for this horizon. The medium to long term outlook is obviously very dependent upon a number of economic and aviation industry related factors. We have created, at a high level, a 3-year plan covering volume evolution, commercial opportunities and customer developments, which supports the ability for the company to be profitable in the coming years. We have also derived a projected financial outlook for 2022 that gives reasonable assurance, at this moment, over the profitability of the company. Such an outlook was based upon volume projections moving from approximately 35% of pre-Covid 19 volumes at the end of 2020 towards 90%-100% by the end of 2022. The percentages have then been benchmarked against various recovery scenarios prepared by external third parties including the International Air Transport Association. We continue to assess the impact of industry volume and economic changes.

It is not only Menzies Aviation (Oslo) AS who has been hit severe by the covid-19 pandemic. Our ultimate parent company, John Menzies plc, has also been hit severe. The annual accounts 2020 for Group has been prepared under the assumption of going concern. It was, however, concluded that there is a material uncertainty related to going concern - which goes <<beyond the Company's severe but plausible downside case>>.

Menzies Aviation (Oslo) AS has a negative equity per 31.12.2020 and the share capital has been lost. The preliminary unaudited result before tax for 2021 shows a loss of ca. NOK 10 million. Given the inherent uncertainties we have additionally confirmed the financial support from our ultimate parent company, John Menzies plc. John Menzies plc has provided a letter of support confirming it will provide financial support for a period to 31 January 2023, to assist the Company in meeting its liabilities as and when they fall due, to the extent that resources are not otherwise available to the Company to meet such liabilities. We have not only received the confirmation, but also actions. The board would like to note that 90 MNOK of debt to Group, has been converted to shares in 2021. This has given the company a positive equity by the end of 2021.

The Company's Board is encouraged by the Company's return to positive equity by the end of 2021 and the presence of ongoing support from the parent company if required. However, considering the Company's continued losses in 2021, uncertain market conditions in the near term and the material uncertainty on going concern noted within the 2020 Annual Report for the parent company, the Board assess that there is a material uncertainty related to the going concern of the Company.

Future challenges

The main challenge for the company, as per 31.01.2022, is how the permanent post-covid situation will look like. There is a uncertainty how the travel pattern globally, and in Norway, will be. This can impact the Company. The uncertainty lies in how fast the recovery will be, and where the new baseline is. The company tries to mitigate this risk by monitoring the situation constantly and be in touch on a weekly basis with all our customers. The company are monitoring all levels of the operation, on a day-to-day basis and are also updating the forecasts constantly to ensure a optimal level of staffing, equipment and cost are in place. The company is also constantly looking on new businessareas and new costumers.

Comments related to the financial statements

The company's total revenue decreased from MNOK 450.3 in 2019 to MNOK 199.7 in 2020 due to impact of the Covid19-pandemic. The company shows a net loss of MNOK 63.9 in 2020 compared to a net loss of MNOK 4.0 in 2019.

The company has an accumulated carry on forward tax loss of MNOK 239 in 2020 compared to MNOK 207 in 2019.

During 2020 no research and development costs are included in the financial result.

Financial risk

The biggest risk for the company is competition from other ground handlers.

The company is not exposed to any material exchange rate risk. The company's current strategy is not to use any financial instruments. The strategy will be reviewed in the coming year.

Market risk

The company has not entered into any derivative or other agreements to reduce the exchange rate risk. Currently most of the revenues and suppliers invoices are in local currency and therefore this is deemed low.

Credit risk

The risk for losses on receivable is considered low, but management is continuously monitoring the situation as a result of market conditions. Most of customers are network customers which are handled in other stations across the world. Credit ratings of customers are monitored on a monthly basis. Company would like to note that the biggest customer has been through a reconstruction process. There is a provision of bad debt of 29 MNOK in the Financial Statement.

Liquidity risk

The company made a net loss of MNOK 63.9 during the year while the cash flow from operating activities amounted negative to MNOK 31.1. The operations have been funded with intercompany loans, net amount of MNOK 10 after repayments. They are shown in cash flow statement under "Change in other current balance sheet items", meaning that the cash flows from operating activities are not in line with the realised net operating loss in the income statement.

On 31/01/2022 Menzies Aviation Plc. Issued a letter of financial support where it confirms that it intends to provide sufficient financial assistance to Menzies Aviation (Oslo) AS and when it is needed to enable the Company to continue its operations and fulfill its financial obligations in the ordinary course of the business. The understaking is provided for twelve months from the date of the letter.

The company has recapitalized MNOK 90 of the intercompany loan in 2021, which has given a better liquidity position.

The working environment and the employees

The working climate has been good and the staff have shown motivation during the year. Safety & security continue to be the main priority both on the job & training, and there have been no incidents or reporting of work related accidents resulting in significant material damages or personal injury occurred during the year.



Leave of absence due to illness totaled 19,273 hours in 2020 (67,646 hours in 2019) which equals 4% of the total working hours (6% in 2019). The company has taken positive initiatives to reduce the sickness level to an acceptable level. "Back to work interviews" have been introduced for all employees being sick, including in-house doctors' visits.

The cooperation with the employees' trade unions has been constructive and contributed positively to operations.

Equal opportunities

The company aims to be a workplace with equal opportunities and has included in the local recruitment policies regulations to prevent gender discrimination regarding salary, promotion and recruiting. The company has traditionally recruited from environment equally dominated by both men and woman.

At the end of 2020 Menzies Aviation employed 542 staff in various operational roles and 33 with administrative roles.

Discrimination

The Discrimination Acts' objectives is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion and faith.

The Group is working actively, determined and systematically to encourage the acts' purpose within its business. Included in the activities are recruiting, salary and working conditions, promotion, development opportunities and protection against harassment.

The Groups' aim is to be in workplace with no discrimination due to reduced functional ability and is working actively to design and implement the physical conditions in such a manner that as many as possible can utilize the various functions. For employees or new applicants with reduced functional ability, individual arrangements of workplace and responsibility are made.

Per 31.12.2020:

Men: 418

Women: 157

TOTAL: 575

Per 31.12.2020:

Part-time men: 167

Part-time women: 97

TOTAL PART-TIMERS: 264

In 2020 it was a total of 25.5 weeks of parental leave. 12 women and 14 men.

Environment

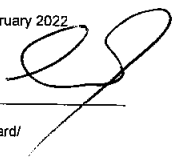
The company respects its partners and the laws and regulations regarding the environment and is active to avoid or reduce any environmental hazards in its ground handling operations. One of the initiatives which has been taken, is the policy that most of company's Ground Service Equipment, are being replaced to electric units.


Allocation of net loss

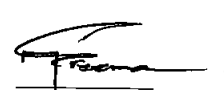
The Board of Directors has proposed the net loss of Menzies Aviation (Oslo) AS to be attributed to:

Other equity:	<u>(63 901 166)</u>
Net loss allocated:	<u>(63 901 166)</u>

Oslo, 09 February 2022


Miguel Gomez
(Chairman of the Board/
Managing Director)


Thomas Andersson
Board Member


Neil John Freeman
Board Member



Income statement

	Note	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
Revenue			
Sales revenue			
Other operating income		183 457 364	449 057 375
		<u>16 242 550</u>	<u>1 218 685</u>
Operating expenses	2	199 699 914	450 276 060
Payroll expenses			
Depreciation	4,5	(154 340 496)	(344 539 120)
Other operating expenses	6	(4 650 955)	(4 736 413)
Total operating expenses	4	<u>(99 935 329)</u>	<u>(99 995 180)</u>
		(258 926 779)	(449 270 713)
Operating result		<u>(59 226 865)</u>	<u>1 005 347</u>
Financial income and expenses			
Other financial income			
Other financial expenses		-	28 553
Net financial items	8	<u>(4 674 301)</u>	<u>(5 069 769)</u>
		(4 674 301)	(5 041 216)
Profit or (loss) before tax		(63 901 166)	(4 035 870)
Income tax expense	9	-	-
Net profit or (loss) for the year	10	<u>(63 901 166)</u>	<u>(4 035 870)</u>
Allocated as follows			
Transferred to other equity		<u>(63 901 166)</u>	<u>(4 035 870)</u>



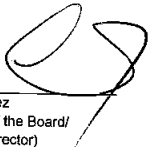
Balance sheet as of December 31


	Note	2020-12-31	2019-12-31
ASSETS			
Fixed assets			
<i>Tangible assets</i>			
Machinery and plant	6	58 315 775	74 288 958
Office Equipment	6	201 797	178 246
Total tangible assets		<u>58 517 572</u>	<u>74 467 204</u>
<i>Finacial assets</i>			
Long-term receivables		1 764 684	-
Total fixed assets		<u>60 282 256</u>	<u>74 467 204</u>
Current assets			
Inventory		348 486	195 123
<i>Receivables</i>			
Trade receivables	7	9 947 452	59 296 391
Other receivables	8	13 158 818	20 838 757
Total receivables		<u>23 106 270</u>	<u>80 135 149</u>
Cash and cash equivalents	3	46 269 248	66 096 715
Total current assets		<u>69 724 004</u>	<u>146 426 987</u>
Total assets		<u>130 006 261</u>	<u>220 894 191</u>


Balance sheet as of December 31

	Note	2020-12-31	2019-12-31
Equity			
<i>Paid-in capital</i>			
Share capital	10,11	2 000 000	2 000 000
Share premium	10	-	187 900 083
Total paid-in capital		<u>2 000 000</u>	<u>189 900 083</u>
<i>Retained earnings</i>			
Other equity	10	(49 771 053)	(173 769 970)
Total retained earnings		<u>(49 771 053)</u>	<u>(173 769 970)</u>
Total equity		<u>(47 771 053)</u>	<u>16 130 113</u>
Liabilities			
<i>Current liabilities</i>			
Trade creditors		7 606 851	12 072 125
Public duties payable		12 007 732	30 787 015
Other short-term liabilities	7, 8	158 162 731	161 904 938
Total current liabilities		<u>177 777 314</u>	<u>204 764 078</u>
Total liabilities		<u>177 777 314</u>	<u>204 764 078</u>
Total equity and liabilities		<u>130 006 261</u>	<u>220 894 191</u>

Oslo, 09 February 2022


Miguel Gomez
(Chairman of the Board/
Managing Director)


Thomas Andersson
Board Member


Neil John Freeman
Board Member



Cash flow statement

	Note	2020-01-01 - 2020-12-31	2019-01-01 - 2019-12-31
Cash flow from operating activities			
Profit/(loss) before tax			
Gain from sale of tangible assets		(63 901 166)	(4 035 870)
Depreciation and amortisation	6	-	-
Changes in inventory		4 650 955	4 736 413
Changes in Trade receivables		(153 363)	1 281 023
Changes in Trade payables		49 348 939	(704 463)
Change in other current balance sheet items		(4 465 274)	(21 513 901)
Net cash flow from operating activities		<u>(16 606 235)</u>	<u>37 619 179</u>
		<u>(31 126 144)</u>	<u>17 382 381</u>
Cash flow from investing activities			
Purchase of tangible fixed assets			
Disposal of tangible fixed assets	6	(483 117)	(767 228)
Net cash flow from investing activities	6	<u>11 781 793</u>	<u>-</u>
		<u>11 298 676</u>	<u>(767 228)</u>
Cash flow from financing activities			
Issue of share capital			
Net cash flow from financing activities		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Net change in cash and cash equivalents		(19 827 467)	16 615 153
Cash and cash equivalents at 01.01	3	66 096 715	49 481 562
Cash and cash equivalents at 31.12	3	<u>46 269 248</u>	<u>66 096 715</u>



Notes to the accounts for 2020

Note 1 - Accounting principles

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time of execution.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long-term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non-incident reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To what extent group contribution not is registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

Inventories

Inventories are valued at the lower of cost or market value. Cost is estimated using the FIFO method. Finished goods and work in progress are valued at full production cost. Write-downs are carried out for foreseeable obsolescence.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

Conversion of foreign currencies

Each month, Menzies Aviation updates the rate of each currency globally. The local value is reevaluated based on the new rates for all ongoing invoices with a foreign currency. Transactions in foreign currencies are translated to NOK at the foreign exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currency are translated to NOK at the foreign exchange rate at balance sheet date. Realised and unrealised exchange differences arising on translation are recognised as financial items in the Income Statement.

Note 2 Sales

Ground revenue	2020	2019
Other revenue	183 457 364	449 057 375
Total	<u>16 242 550</u>	<u>1 218 685</u>
	<u>199 699 914</u>	<u>450 276 060</u>

Menzies Aviation (Oslo) AS provide customer support with a broad range of airside services. Such services include ramp and cargo handling, de-icing and other technical support.

MNOK 15.4 of the total other revenues of MNOK 16.2 is related to obtained governmental support.

Note 3 Bank deposit

Bank deposit	2020	2019
Current bank account	3 487 167	8 724 381
Total	<u>42 782 081</u>	<u>57 372 335</u>
	<u>46 269 248</u>	<u>66 096 715</u>

Bank deposit represents restricted cash limited to cover the employee's tax.



Note 4 Wage costs, number of employees, remuneration, loans to employees and auditors' fee

Wage costs	2020	2019
Salaries		
Payroll tax	132 075 178	291 897 257
Pension costs	18 705 515	42 729 787
Total	<u>3 559 803</u>	<u>9 912 076</u>
	<u>154 340 496</u>	<u>344 539 120</u>
The average number of employees	506	822

Management remuneration

No remuneration has been paid to the Board of Directors during the year. The General Manager has not received salary from the company in 2020 (also NOK 0 in 2019). The General Manager receives his salary from Menzies Aviation (EMEA) BV.

No loans or guarantees have been given to the General Manager or members of the Board.

Auditor fee has been divided as follows

	2020	2019
Ordinary audit		
Tax services	690 056	359 188
Other consultancy services	68 800	21 300
Total	<u>59 325</u>	<u>28 426</u>
	<u>816 181</u>	<u>408 914</u>

VAT is not included in the figures of auditors' fee.

Note 5 Pensions

The company is required to have occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenstepensjon"). The company's pension scheme meets the requirements of the law.

The company has defined contribution pension scheme. The pension expense in 2020 is MNOK 2.0 (MNOK 4.8 in 2019). The company also has an early retirement pension scheme. The expense in 2020 is MNOK 2.5 (MNOK 5.2 in 2019).

The actuarial assumptions are based on assumptions of demographical factor normally used within the insurance industry.

Note 6 Tangible assets

	Plant and Machinery	Office equipment	Total
Acquisition cost 01.01.2019	86 235 154	2 173 942	88 409 096
Purchased tangibles	746 812	20 417	767 228
Disposal tangibles	-	-	-
Acquisition cost 31.12.2019	86 981 966	2 194 358	89 176 324
Depreciation for the year	(4 613 334)	(123 079)	(4 736 413)
Disposal depreciation tangibles	-	-	-
Acc. Depreciation 31.12.2019	<u>(12 693 008)</u>	<u>(2 016 112)</u>	<u>(14 709 120)</u>
Net carrying amount at 31.12.2019	<u>74 288 958</u>	<u>178 246</u>	<u>74 467 204</u>
Acquisition cost 01.01.2020	86 981 966	2 194 358	89 176 324
Purchased tangibles	314 716	168 401	483 117
Disposal tangibles	-13 726 361	-	(13 726 361)
Acquisition cost 31.12.2020	73 570 321	2 362 759	75 933 080
Depreciation for the year	(4 506 105)	(144 850)	(4 650 955)
Disposal depreciation tangibles	1 944 568	-	1 944 568
Acc. Depreciation 31.12.2020	<u>(15 254 545)</u>	<u>(2 160 962)</u>	<u>(17 415 507)</u>
Net carrying amount at 31.12.2020	<u>58 315 776</u>	<u>201 797</u>	<u>58 517 573</u>
Depreciation plan:			
Computers	Linear	Linear	
Office equipment	-	3 years	
Plant and Machinery	7-15 years	5 years	



Note 7 Debts and receivables

There are receivables of TNOK 151 that are due in more than one year and no long term liabilities due in more than 5 years.

The company has made a provision for bad debts related to Norwegian Air Shuttle ASA's bankruptcy protection of MNOK 28.6

Note 8 Intercompany balance group company and associate

Intercompany transactions

	2020	2019
Technical services	2 454 372	5 800 791
Management fees	5 706 047	4 085 839
Interest cost	3 335 174	3 655 716

Receivables

	2020	2019
Intercompany receivables	1 753 403	1 135 817

Other short-term liabilities

	2020	2019
Intercompany payables		
Group contribution	(122 388 963)	(109 846 006)

Note 9 Income taxes

Tax base estimation

	2020	2019
Ordinary result before tax		
Permanent differences	(63 901 166)	(4 035 870)
Temporary differences	-	(3 326 082)
Group Contribution	32 921 706	(5 262 545)
Tax base	-	-
	<u>(30 979 460)</u>	<u>(12 624 507)</u>

	2020	2019
Calculated tax payable		
Payable in prior years	-	-
Tax payable in the balance sheet	-	-
	<u>-</u>	<u>-</u>

Temporary differences outlined

Fixed assets			
Account receivables	(1 093 912)	35 755 355	34 661 443
Other accruals	28 573 541	(28 573 541)	-
Total	5 442 077	(5 442 077)	-
Accumulated tax loss carried forward	32 921 706	1 739 737	34 661 443
Net temporary differences 31.12	30 979 460	(238 818 886)	(207 639 226)
Deferred tax asset (22%)	63 901 166	(238 878 949)	(172 977 783)
		<u>52 113 369</u>	<u>38 055 112</u>

The deferred tax asset is not recognised in the accounts as the future utilisation is uncertain.

Reconciliation of income tax expense

	2020	2019
22% tax benefit		
Adjustment for deferred tax asset not accounted for	52 113 369	38 055 112
Total tax expense current year	<u>(52 113 369)</u>	<u>(38 055 112)</u>

Note 10 Equity

	Share Capital	Share premium fund	Other equity	Total
Owners equity 01.01.2019	2 000 000	187 900 083	(166 408 008)	23 492 075
Result of the year			(4 035 870)	
Other corrections from prior years*			(3 326 082)	
Owners equity 31.12.2019	2 000 000	187 900 083	(173 769 970)	16 130 114
Owners equity 01.01.2020	2 000 000	187 900 083	(173 769 970)	16 130 114
Result of the year			(63 901 166)	
Other allocations**		(187 900 083)	187 900 083	
Owners equity 31.12.2020	2 000 000	-	(49 771 053)	-47 771 053

*In 2015, an Incentive agreement from 2015-2022 was signed with a client, where 6 655 MNOK was committed to be paid to a client over the contract period. However, the 2015-2018 amount at 3,3 MNOK including interest was posted in December 2019. The prior year correction was booked against retained earnings in the financial statement.

**Board of directors has proposed to offset the Share Premium fund, 187 900 083 per 31.12.2020, against Retained Earnings. This will not have any tax consequences for the company.



Note 11 Share Capital and share holders information

In 2016 the company converted the long-term loan to Menzies Aviation Plc of MNOK 111.8 to equity. In the result of the conversion share capital increased from MNOK 1 to MNOK 2. The remaining portion of NOK 110,800,083 allocated to share premium. All shares have equal rights. All shares are owned by Menzies Aviation Plc.

After the loan conversion the share capital of NOK 2 000 000 consists of 100 shares NOK 20 000. All shares have equal rights.

The company is part of the Menzies Group with John Menzies Plc as the parent company of the group. The group financial statements of John Menzies Plc can be found at www.menziesaviation.com.

Note 12: Covid-19 pandemic

COVID-19

The outbreak in Norway was closely linked to travellers and as a result the Norwegian government were quick to introduce travel restrictions as part of the public measures implemented to limit the spreading of the virus. The travel restrictions introduced the 12th of March 2020 included a mandatory 14 day quarantine for all travellers arriving in Norway. This led to the closing of numerous airports and harbours in Norway and around the world. Travel restrictions were also imposed within the borders, prohibiting overnight travel to other communes and quarantine rules when traveling domestic as well.

Air traffic passenger numbers in Norway decreased by 84 % from week 9 to week 12. By week 15 the bottom was reached 94% reduction. The company had a reduction of 40% of turns in March 2020, in April to June we had a reduction of 87%, 88% and 84% in amount of turns. We laid off temporarily partially or fully up to 663 staff during this period. The redundancy process was started 19th of June and the company agreed with the unions to reduce 97,5 FTEs before 1st of November.

The company has ensured to receive the support provided by the Norwegian government such as the cash compensation on the fixed cost, the temporarily lay off possibilities and the payment of sickness related to people being in quarantine. After a few difficult months, we managed in July to get back the same productivity as July 2019. The productivity continued to be good, until November 2020, when the situation again went back to May 2020.

In total Covid-19 is the main contributor of the incurred loss in 2020. Even with cost saving measures, government aid and temporarily lay offs; a drop in our customers traffic of ca. 60% during the fiscal year, will give a negative impact. Our biggest customer had a restructuring process, which is a direct consequence of Covid-19 has also incurred company a loss.

Note 13: Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern.

The Covid-19 pandemic has had a great impact on the business of the company but we have taken significant actions in response, including cost saving measures, the application for and the receipt of significant government support and tight cash management. Specifically we are grateful to the Norwegian government for their support with both our labour and fixed costs.

We complete regular short to medium term cash flow forecasts which project sufficient cash resources for this horizon. The medium to long term outlook is obviously very dependent upon a number of economic and aviation industry related factors. We have created, at a high level, a 3-year plan covering volume evolution, commercial opportunities and customer developments, which supports the ability for the company to be profitable in the coming years. We have also derived a projected financial outlook for 2022 that gives reasonable assurance, at this moment, over the profitability of the company. Such an outlook was based upon volume projections moving from approximately 35% of pre-Covid 19 volumes at the end of 2020 towards 90%-100% by the end of 2022. The percentages have then been benchmarked against various recovery scenarios prepared by external third parties including the International Air Transport Association. We continue to assess the impact of industry volume and economic changes.

It is not only Menzies Aviation (Oslo) AS who has been hit severe by the covid-19 pandemic. Our ultimate parent company, John Menzies plc, has also been hit severe. The annual accounts 2020 for Group has been prepared under the assumption of going concern. It was, however, concluded that there is a material uncertainty related to going concern - which goes <-beyond the Company's severe but plausible downside case>>.

Menzies Aviation (Oslo) AS has a negative equity per 31.12.2020 and the share capital has been lost. The preliminary unaudited result before tax for 2021 shows a loss of ca. NOK 10 million. Given the inherent uncertainties we have additionally confirmed the financial support from our ultimate parent company, John Menzies plc. John Menzies plc has provided a letter of support confirming it will provide financial support for a period to 31 January 2023, to assist the Company in meeting its liabilities as and when they fall due, to the extent that resources are not otherwise available to the Company to meet such liabilities. We have not only received the confirmation, but also actions. The board would like to note that 90 MNOK of debt to Group, has been converted to shares in 2021. This has given the company a positive equity by the end of 2021.

The Company's Board is encouraged by the Company's return to positive equity by the end of 2021 and the presence of ongoing support from the parent company if required. However, considering the Company's continued losses in 2021, uncertain market conditions in the near term and the material uncertainty on going concern noted within the 2020 Annual Report for the parent company, the Board assess that there is a material uncertainty related to the going concern of the Company.

Note 14: Subsequent events

The start of 2021 has been impacted by low traffic due to Covid 19. In the period January 2021 to June 2021, our customers traffic was down by ca. 80% compared to 2019. From July 2021 the company has seen a significant rise in the traffic. In the period July 21 to December 21, the traffic drop has reduced to ca. 30% drop, compared to the same months in 2019.

Company's main focus is to gain new customers and keep all profitable contract. Company has secured all it's contract, and also gained three new customers in 2021. That has increased the revenue for the company. The outlooks is looking good, however the situation is changing constantly. A new lockdown, will cause a drop in revenue for the company.

Company has gone through a recapitalization which was finalized in October 21. MNOK 90 of the intercompany loan was recapitalized into MNOK 89 Share Premium and MNOK 1 Share Capital. That has significantly increased the capital position of the company.

The company has also through 2021 received government support, which has given the company a positive impact.

The start of 2022 has been severe impacted by the Omicron variant. Airlines has cancelled 40% of its flight and there is still a insecurity of how 2022 will look. Company is doing all it can to adapt to the constantly changing situation.

The company has lost a court case in 2021, which has incurred a loss of 5.4 MNOK, already accrued in 2020 amount above.



Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6A, NO-0191 Oslo
Postboks 1156 Sentrum, NO-0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Menzies Aviation (Oslo) AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Menzies Aviation (Oslo) AS, which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 13 in the financial statements which state that the Company has continuing losses, negative equity as of 31 December 2020, and that a material uncertainty related to going concern was concluded to exist at the parent company level in the 2020 annual report. These events or conditions, along with other matters as set forth in note 13, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Managing Director (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is

Independent auditor's report - Menzies Aviation (Oslo) AS

A member firm of Ernst & Young Global Limited

Penneo Dokumentnoekket: PDKKF-NHMTK-W2BDF-OMU66-OAMCW-PQX8K



properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Other matters

We wish to emphasize that the financial statements were not presented by the statutory deadline.

Oslo, 9 February 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Leiv Aschehoug
State Authorised Public Accountant (Norway)

Pemso Dokumentnøkkel: PDKKF-NHMTK-W2BDF-QMU66-OAMCW-PQX8K



PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo"™ - sikker digital signatur.
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Leiv Thorkil Aschehoug

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5999-4-979477

IP: 213.52.xxx.xxx

2022-02-09 15:05:34 UTC



Penneo Dokumentnøkkel: PDKKF-NHMTK-W2BDF-QMU66-QAMCW-PQX8K

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validate>



Skattedirektoratet

Saksbehandler Jan Hoelstad	Deres dato 13.12.2010	Vår dato 13.01.2011
Telefon 22077325	Deres referanse Tine Holdhus	Vår referanse 2010/1252234

Ernst & Young AS
Oslo Atrium, Postboks 20
0051 Oslo

10/3-11
JH

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for Menzies Aviation (Oslo) AS, org. nr: 989 757 113

Det vises til deres brev av 13. desember 2010 samt e-post av 12. januar 2011 med supplerende opplysninger i sakens anledning. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Menzies Aviation (Oslo) AS.

Bakgrunn

Menzies Aviation (Oslo) AS leverer passasjer- og bagasjetjenester ved Oslo Lufthavn Gardermoen. Selskapet er 100 % eid av Menzies Aviation Plc i UK som igjen inngår i det skotske John Menzies Plc konsernet som er børsnotert på London Stock Exchange. Menzies Aviation (Oslo) AS leverer tjenester i en internasjonal bransje, hvor arbeidsspråk både internt og eksternt naturlig er engelsk. Selskapets kunder i Norge er internasjonale flyselskap. Selskapets styre består utelukkende av utenlandske statsborgere, og også daglig leder er utenlandsk. Selskapet opplyser å ikke ha eksternt finansiering.

Den norske versjonen av årsregnskapet og årsberetningen utarbeides kun for å tilfredsstille regnskapslovens krav. Nytt i forhold til kostnaden ved å utarbeide et norsk årsregnskap og årsberetning, vurderes derfor som liten. Det søkes derfor om dispensasjon.

Skattedirektoratets vurdering og konklusjon

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjært fordelt informasjon."

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse Se www.skatteetaten.no Org. nr: 996250318	Sentralbord 800 80 000 Telefaks 22 17 08 60
--	---	--

For elektronisk henvendelse se www.skatteetaten.no



Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i prosisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

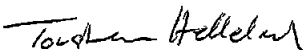
Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Selskapet virksomhet er i en internasjonal bransje og arbeidsspråket er engelsk. Alle sentrale aktører innen den bransje selskapet jobber, antas å måtte beherske og benytte engelsk språk. Selskapet er dessuten heleid fra Storbritannia, og daglig leder samt styre er utenlandske statsborgere.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering Menzies Aviation (Oslo) AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen


Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Jan Høelstad