
Menzies Aviation Denmark Lounges A/S

c/o Copenhagen Airport, Terminal 2,
Lufthavnsboulevard 6, DK-2770 Kastrup

Annual Report for 1 January - 31 December 2018

CVR No 38 00 94 78

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on

03 / 6 2019

Chairman



Miguel-Einar Gomez Sjunnesson

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Menzies Aviation Denmark Lounges A/S for the financial year 1 January - 31 December 2018.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

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

Kastrup,

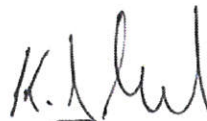
Executive Board

Kristian Sean Muntaner Mills

Board of Directors

Miguel-Einar Gomez Sjunnesson
Chairman




Kristian Sean Muntaner Mills


Niels Rasmussen

Independent Auditor's Report

To the Shareholder of Menzies Aviation Denmark Lounges A/S

Report on the Financial Statements

Opinion

We have audited the Financial Statements of Menzies Aviation Denmark Lounges A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's Report

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent Auditor's Report

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.

Copenhagen, 3 June 2019

Ernst & Young

Godkendt Revisionspartnerselskab

CVR No 30 70 02 28



Ole Hedemann
statsautoriseret revisor
mne14949



Anders Flymer-Dindler
statsautoriseret revisor
mne35423

Company Information

The Company

Menzies Aviation Denmark Lounges A/S
c/o Copenhagen Airport, Terminal 2
Lufthavnsboulevard 6
DK-2770 Kastrup

CVR No: 38 00 94 78

Financial period: 1 January - 31 December

Incorporated: 2 September 2016

Municipality of reg. office: Tårnby

Board of Directors

Miguel-Einar Gomez Sjunnesson, Chairman
Kristian Sean Muntaner Mills
Niels Rasmussen

Executive Board

Kristian Sean Muntaner Mills

Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Osvold Helmuths Vej 4
DK-2000 Frederiksberg

Income Statement 1 January - 31 December 2018

	Note	2016/17 (16 months) DKK	2017 DKK
Gross profit/loss		8.612.808	3.737.389
Staff expenses	2	-4.106.463	-3.036.077
Depreciation and impairment of property, plant and equipment	3	-1.015.392	-920.098
Profit/loss before financial income and expenses		3.490.953	-218.786
Financial expenses	4	-130.193	-32.387
Profit/loss before tax		3.360.760	-251.173
Tax on profit/loss for the year	5	-825.655	4.785
Net profit/loss for the year		2.535.105	-246.388

Distribution of profit

Proposed distribution of profit

Retained earnings	2.535.105	-246.388
	2.535.105	-246.388

Balance Sheet at 31 December 2018

Assets

	Note	2017 DKK	2017 DKK
Plant and machinery		275.800	309.571
Other fixtures and fittings, tools and equipment		692.649	777.463
Leasehold improvements		7.986.117	9.034.026
Property, plant and equipment	6	8.954.566	10.121.060
Deposits		800.000	0
Fixed asset investments	7	800.000	0
Fixed assets		9.754.566	10.121.060
Trade receivables		1.426.201	1.019.958
Receivables from group enterprises		2.867.316	0
Other receivables		0	7.533.105
Corporation tax receivable from group enterprises		0	4.785
Prepayments		492.734	2.001.094
Receivables		4.786.251	10.558.942
Cash at bank and in hand		4.642.555	2.083.417
Currents assets		9.428.806	12.642.359
Assets		19.183.372	22.763.419

Balance Sheet at 31 December 2018

Liabilities and equity

	<u>Note</u>	<u>2017</u> DKK	<u>2017</u> DKK
Share capital		500.000	500.000
Retained earnings		2.288.717	-246.388
Equity		<u>2.788.717</u>	<u>253.612</u>
Provision for deferred tax		548.950	0
Provisions		<u>548.950</u>	<u>0</u>
Trade payables		945.374	127.404
Payables to group enterprises		13.621.199	21.124.533
Other payables		1.279.132	1.257.870
Short-term debt		<u>15.845.705</u>	<u>22.509.807</u>
Debt		<u>15.845.705</u>	<u>22.509.807</u>
Liabilities and equity		<u>19.183.372</u>	<u>22.763.419</u>
Key activities	1		
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Related parties	9		
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Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January 2018	500.000	-246.388	253.612
Net profit/loss for the year	0	2.535.105	2.535.105
Equity at 31 December 2018	500.000	2.288.717	2.788.717

Notes to the Financial Statements

1 Key activities

The Company provides lounge services to passengers at Copenhagen airport.

	2016/17 (16 months) DKK	2017 DKK
2 Staff expenses		
Wages and salaries	3.753.000	2.805.859
Pensions	293.993	210.748
Other social security expenses	59.470	19.470
	4.106.463	3.036.077
Average number of employees	10	13
3 Depreciation and impairment of property, plant and equipment		
Depreciation of property, plant and equipment	1.015.392	920.098
	1.015.392	920.098
4 Financial expenses		
Interest paid to group enterprises	79.511	694
Other financial expenses	50.682	31.693
	130.193	32.387
5 Tax on profit/loss for the year		
Current tax for the year	276.705	-4.785
Deferred tax for the year	457.958	0
Adjustment of deferred tax concerning previous years	90.992	0
	825.655	-4.785

Notes to the Financial Statements

6 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January 2018	337.714	848.142	9.855.302
Additions for the year	0	0	837.726
Disposals for the year	0	0	-988.829
Cost at 31 December 2018	<u>337.714</u>	<u>848.142</u>	<u>9.704.199</u>
Impairment losses and depreciation at 1 January 2018	28.143	70.679	821.276
Depreciation for the year	33.771	84.814	1.073.973
Impairment and depreciation of sold assets for the year	0	0	-177.167
Impairment losses and depreciation at 31 December 2018	<u>61.914</u>	<u>155.493</u>	<u>1.718.082</u>
Carrying amount at 31 December 2018	<u>275.800</u>	<u>692.649</u>	<u>7.986.117</u>

7 Fixed asset investments

	Deposits DKK
Cost at 1 January 2018	<u>800.000</u>
Cost at 31 December 2018	<u>800.000</u>
Revaluations at 1 January 2018	<u>0</u>
Revaluations at 31 December 2018	<u>0</u>
Impairment losses at 1 January 2018	<u>0</u>
Impairment losses at 31 December 2018	<u>0</u>
Carrying amount at 31 December 2018	<u>800.000</u>

Notes to the Financial Statements

	<u>2017</u> DKK	<u>2017</u> DKK
8 Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Rent obligation	4.014.248	3.600.000

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Menzies Aviation (Denmark) A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax and tax on royalty and interest payments. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

9 Related parties

Basis

Controlling interest

Menzies Aviation Plc., United Kingdom	Parent Company
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Consolidated Financial Statements

The company is included in the group annual report of the Parent Company

<u>Name</u>	<u>Place of registered office</u>
Menzies Aviation Plc.	Hounslow, United Kingdom

The Group Annual Report of Menzies Aviation Plc. may be obtained at the following address:

2 World Business Centre Heathrow
Newall Road
London Heathrow Airport
Hounslow, TW6 2SF
United Kingdom

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of Menzies Aviation Denmark Lounges A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2018 are presented in DKK.

Recognition and measurement

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

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

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

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

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

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

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

Income Statement

Revenue

Income from the sale of services is recognised in revenue when the service has been carried out and the revenue can be reliably measured. Revenue from fixed fee contracts is typically recognised over the term of the contract.

Notes to the Financial Statements

10 Accounting Policies (continued)

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

Other external expenses

Other external expenses comprise cost for distribution, sale, advertising, administration, premises, bad debt losses, operating leases, etc.

Gross profit/loss

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

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

Depreciation and impairment losses

Depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, charges in respect of finance leases, realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

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

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

10 Accounting Policies (continued)

Balance Sheet

Property, plant and equipment

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

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

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

Plant and machinery	3-20	years
Other fixtures and fittings, tools and equipment	3-5	years
Leasehold improvements	10	years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is tested annually for evidence of impairment other than the decrease in value reflected by amortisation/depreciation. Impairment tests are conducted on individual assets or groups of assets when there is evidence of impairment. Assets are written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Notes to the Financial Statements

10 Accounting Policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

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

Notes to the Financial Statements

10 Accounting Policies (continued)

Liabilities

Financial liabilities comprising amounts owed to credit institutions, trade payables and payables to group enterprises are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value, which is typically nominal value.