

Registered number: 09360346

Norwegian Air UK Limited

**Annual report and financial statements
For the year ended 31 December 2016**

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Norwegian Air UK Limited

Company Information

Directors	E Thorstad A Nyseth F Berg
Registered number	09360346
Registered office	First Point Buckingham Gate Gatwick Airport RH6 0NT
Independent auditors	Deloitte LLP Statutory Auditor Park House Manor Royal Crawley RH10 9AD

Norwegian Air UK Limited

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Norwegian Air UK Limited

Directors' report For the year ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The Company is an airline operator within the Norwegian Air Shuttle ASA group.

The Company is a private company limited by shares and is incorporated in England.

On 12 October 2016 the Company changed its registered office address from Room 020, The Beehive, Beehive Ring Road, Gatwick, West Sussex RH6 0PA to First Point, Buckingham Gate, Gatwick Airport, RH6 0NT.

The Company is a wholly owned subsidiary of Norwegian Air Shuttle ASA.

Results and dividends

The loss for the year, after taxation, amounted to \$2,837,417 (18.12.2014-31.12.2015: loss \$1,818,667) and at the year end the Company had net liabilities of \$156,084 (18.12.2014-31.12.2015: net assets \$2,681,333).

No dividend payments have been made during 2016 and the directors do not recommend the payment of a final dividend for the period (previous period - \$Nil).

Directors

The directors who served during the year were:

E Thorstad
A Nyseth
F Berg
H O'Donovan (resigned September 23rd 2016)

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. The Company started its activity in November 2015 and had for 2016 and going forward a wet lease contract with a group subsidiary.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information; and
- this confirmation is given and should be interpreted with the provisions of s418 of the Companies Act 2006.

Auditors

The auditors, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Norwegian Air UK Limited

Small companies exemption

The directors have taken advantage of the small companies exemptions provided by section 414B of the Companies Act 2006 not to provide a Strategic Report.

In preparing this report, the directors have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

This report was approved by the board on 15/11/17 and signed on its behalf.



F Berg
Director

Norwegian Air UK Limited

**Directors' responsibilities statement
For the year ended 31 December 2016**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NORWEGIAN AIR UK Limited

We have audited the financial statements of Norwegian Air UK Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements..

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Independent auditors' report to the shareholders of Norwegian Air UK Limited

Matters on which we are required to report by exception¹

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report; or
- we have not received all the information and explanations we require for our audit.

Charles Morelli

Charles Morelli FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Crawley, UK
Date: 15 November 2017

Norwegian Air UK Limited

**Statement of comprehensive Income
For the year ended 31 December 2016**

	Note	2016 \$	18.12.2014- 31.12.2015 \$
Turnover	3	16,618,209	-
Gross profit		<u>16,618,209</u>	<u>-</u>
Administrative expenses		(19,455,626)	(1,818,667)
Loss before Tax	4	<u>(2,837,417)</u>	<u>(1,818,667)</u>
Taxes	7	-	-
Loss for the year		<u>(2,837,417)</u>	<u>(1,818,667)</u>
Other comprehensive income			-
Total comprehensive loss for the year		<u>(2,837,417)</u>	<u>(1,818,667)</u>

The notes on pages 9 to 19 form part of these financial statements.

Revenue and operating loss are all derived from continuing operations.

Norwegian Air UK Limited
Registered number: 09360348

Balance sheet
As at 31 December 2016

	Note	2016 \$	18.12.2014- 31.12.2015 \$
Fixed assets			
Tangible assets	8	1,352,322	-
		<u>1,352,322</u>	
Current assets			
Debtors	9	12,464,385	6,599,493
Cash at bank and in hand	10	821,294	4,340,924
		<u>13,285,679</u>	<u>10,940,417</u>
Creditors: amounts falling due within one year	11	(9,295,456)	(2,375,062)
Net current assets		<u>3,990,223</u>	<u>8,565,355</u>
Total assets less current liabilities		<u>5,342,545</u>	<u>8,565,355</u>
Creditors: amounts falling due after more than one year	12	(5,498,629)	(5,884,022)
		<u>(156,084)</u>	<u>2,681,333</u>
Net (liabilities)/assets		<u>(156,084)</u>	<u>2,681,333</u>
		<u>(156,084)</u>	<u>2,681,333</u>
Capital and reserves			
Called up share capital	15	4,500,000	4,500,000
Profit and loss account		(4,656,084)	(1,818,667)
Shareholders deficit		<u>(156,084)</u>	<u>2,681,333</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 November 2017

F Berg
Director

The notes on pages 9 to 19 form part of these financial statements.

Norwegian Air UK Limited

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2016	4,500,000	(1,818,667)	2,681,333
Comprehensive income for the year			
Loss for the year	-	(2,837,417)	(2,837,417)
Total comprehensive income for the year	-	(2,837,417)	(2,837,417)
Contributions by and distributions to owners			
Total transactions with owners	-	-	-
At 31 December 2016	<u>4,500,000</u>	<u>(4,656,084)</u>	<u>(156,084)</u>

**Statement of changes in equity
For the period ended 31 December 2015**

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
Comprehensive income for the period			
Loss for the period	-	(1,818,667)	(1,818,667)
Total comprehensive income for the period	-	(1,818,667)	(1,818,667)
Contributions by and distributions to owners			
Shares issued during the period	4,500,000	-	4,500,000
Total transactions with owners	4,500,000	-	4,500,000
At 31 December 2015	<u>4,500,000</u>	<u>(1,818,667)</u>	<u>2,681,333</u>

The notes on pages 9 to 19 form part of these financial statements.

Norwegian Air UK Limited

Notes to the financial statements For the year ended 31 December 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements of Norwegian Air UK Limited (formerly Westforce Aviation Limited) for the period ended 31 December 2016 were authorised for issue by the board of directors on [redacted] and the balance sheet was signed on the board's behalf by Frode Berg. Norwegian Air UK Limited is incorporated and domiciled in England and Wales.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and applicable accounting standards. The Company's financial statements are presented in US Dollars which is the functional currency of the Company.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 31 December 2016.

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements. These are disclosed in Norwegian Air Shuttle ASA's financial statements, see note 18;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

1.3 Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. The Company started its activity in November 2015 and in 2016 signed a wet lease contract for its aircraft with a group subsidiary. As a result the directors anticipate the being profitable going forward. In addition the directors have received confirmation from the group that they will continue to support the company going forward.

1.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures and fittings	- 5 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

1.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight-line basis over the lease term.

1.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Norwegian Air UK Limited

**Notes to the financial statements
For the year ended 31 December 2016**

1. Accounting policies (continued)**1.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.9 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.10 Maintenance provisions and reserves

In many aircraft operating lease contracts, the lessee has the obligation to make periodic payments which are calculated with reference to the utilization of airframes, engines and other major life-limited components during the lease (supplemental amounts). In such contracts, upon lessee presentation of invoices evidencing the completion of qualifying work on the aircraft, the lessor reimburses the lessee for the work, up to a maximum of the supplemental amounts received with respect to such work.

The Company records supplemental amounts paid to lessors as maintenance reserves in the balance sheet. These amounts are reclaimable upon completion of agreed maintenance events per the terms of the lease agreement with the lessor. In addition the Company recognises a provision for the total estimated future maintenance cost of aircraft. The maintenance provision and reserve balances are shown on a net basis in the balance sheet.

1.11 Foreign currency translation**Functional and presentation currency**

The Company's functional and presentational currency is US Dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

1.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Norwegian Air UK Limited

**Notes to the financial statements
For the year ended 31 December 2016**

2. Critical judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The Company pays fee to maintenance funds held by the lessor on leased aircraft. The accrued provisions in the accounts are estimated payments for periodic maintenances in excess of payments to the maintenance funds, and are provided on the basis of aircraft utilization. The management work closely with the technical department to estimate total cost. The estimation technique for maintenance reserve contribution (MRC) additional provisions is based on contractual payments for maintenance and mandatory maintenance. The estimated costs of overhauls and maintenance are based on the Group's maintenance program and contractual prices. In addition, provisions are set to meet redelivery conditions for leased aircraft and these additional provisions are dependent on redelivery date and redelivery conditions of the different lease terms. In case of lease extension, estimates on maintenance costs will be revised.

3. Turnover

An analysis of turnover by class of business is as follows:

	2016 \$	2015 \$
Lease revenue	6,941,909	-
Wetlease revenue	9,676,300	-
Total sales	<u>16,618,209</u>	<u>-</u>

All turnover arose within the United Kingdom.

The turnover and loss for the year are attributable to the principal activity of the Company.

4. Operating loss

The operating loss is stated after charging:

	2016 \$	2015 \$
Depreciation of tangible fixed assets	150,257	-
Foreign exchange differences	76,244	2,776
Audit fees	46,243	20,635
Lease payments under operating leases recognised as an expense in the year	<u>11,214,100</u>	<u>569,670</u>

Norwegian Air UK Limited

5. Employees

The average monthly number of employees, including the directors, during the period was as follows:

	2016 No.	2015 No.
Administration	-	2
Management	4	-
Technical	3	-
Operations	6	-
Station	1	-
	<u>14</u>	<u>2</u>

Staff costs, were as follows:

	2016 \$	2015 \$
Wages and salaries	1,164,415	227,979
Social security costs	136,398	13,719
Costs of defined contribution scheme	81,422	9,104
	<u>1,382,235</u>	<u>250,802</u>

6. Directors' remuneration

The directors are employed by the parent company, Norwegian Air Shuttle ASA. During the year, the Company was not charged in respect of director's services to the company.

Norwegian Air UK Limited

**Notes to the financial statements
For the year ended 31 December 2016**

7. Taxation

	2016 \$	2015 \$
Current tax on profits for the year	-	-
Total current tax	-	-
Current year	-	-
Effect of changes in tax rates	-	-
Total deferred tax	-	-
Taxation on loss on ordinary activities	-	-

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25 %). The differences are explained below:

	2016 \$	2015 \$
Loss on ordinary activities before tax	<u>(2,837,417)</u>	<u>(1,818,667)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	(567,483)	(368,280)
Effects of:		
Losses not recognised	765,991	368,280
Tax rate changes	135,175	-
Tax losses not recognised	(363,733)	-
Expenses not deductible	30,051	-
Total tax charge for the year	<u>-</u>	<u>-</u>

The Company has gross tax losses and temporary differences of \$ 4,505,827 carried forward as at 31 December 2016 to use against future taxable income; these tax losses do not have an expiry date. The benefit of tax losses and temporary timing differences has not been recognized in these financial statements due to the uncertainty of their recoverability.

Norwegian Air UK Limited

Factors that may affect future tax charges

The tax rate for the current period is lower than the prior period due to changes in the UK Corporation tax rate which decreased from 21% to 20% from 1 April 2015.

The Finance (No. 2) Act 2015, substantively enacted on 26 October 2015, reduced the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020, whilst the Finance Act 2016, substantively enacted on 6 September 2016, included further reduction of the rate of 18% to 17% from 1 April 2020. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

8. Tangible fixed assets

	Fixtures and fittings \$
Cost or valuation	
At 1 January 2016	-
Additions	1,502,579
At 31 December 2016	<u>1,502,579</u>
Depreciation	
At 1 January 2016	-
Charge for the period on owned assets	150,257
At 31 December 2016	<u>150,257</u>
Net book value	
At 31 December 2016	<u><u>1,352,322</u></u>
At 31 December 2015	<u>-</u>

Norwegian Air UK Limited

**Notes to the financial statements
For the year ended 31 December 2016**

9. Debtors

	2016 \$	2015 \$
Trade debtors	23,699	
Amounts owed by group undertakings	11,757,899	6,569,079
Other debtors	469,425	27,504
Prepayments and accrued income	213,362	2,910
	<u>12,464,385</u>	<u>6,599,493</u>

10. Cash and cash equivalents

	2016 \$	2015 \$
Cash at bank and in hand	<u>821,294</u>	<u>4,340,924</u>

11. Creditors: Amounts falling due within one year

	2016 \$	2015 \$
Trade creditors		27,506
Amounts owed to group undertakings	8,642,054	1,621,491
Other taxation and social security	56,064	13,719
Accruals and deferred income	597,338	712,346
	<u>9,295,456</u>	<u>2,375,062</u>

Norwegian Air UK Limited

12. Creditors: Amounts falling due after more than one year

	2016 \$	2015 \$
Accruals and deferred income	5,498,629	5,884,022
	<u>5,498,629</u>	<u>5,884,022</u>

13. Financial instruments

	2016 \$	2015 \$
Financial assets		
Financial assets measured at amortised cost	12,251,023	6,596,583
	<u>12,251,023</u>	<u>6,596,583</u>

Financial liabilities

Financial liabilities measured at amortised cost	(8,642,054)	(8,245,302)
	<u>(8,642,054)</u>	<u>(8,245,302)</u>

Financial assets measured at amortised cost comprise amounts owed by trade debtors, group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and amounts owed to group undertakings.

The fair value of financial assets/liabilities are equal to their amortised cost.

14. Auditors remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were USD 46,243 (2015: USD 20,635). Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent Company are required to disclose such fees on a consolidated basis.

Norwegian Air UK Limited

**Notes to the financial statements
For the year ended 31 December 2016**

15. Share capital

	2016 \$	2015 \$
Shares classified as equity		
Authorised, allotted, called up and fully paid		
9,000,000- Ordinary shares of \$0.50 each	<u>4,500,000</u>	<u>4,500,000</u>

16. Pension commitments

The Company provides a defined contribution retirement plan for its staff. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and is disclosed in note 5. Contributions totalling \$9,478 (18.12.2014-31.12.2015 - \$9,104) were payable to the fund at the balance sheet date.

17. Commitments under operating leases

At 31 December 2016 the present value of future minimum lease payments under non-cancellable operating leases are as follows:

	2016 \$	2015 \$
Not later than 1 year	20,625,604	4,761,548
Later than 1 year and not later than 5 years	80,438,982	19,046,192
Later than 5 years	129,345,409	32,469,844
Total	<u>230,409,995</u>	<u>56,277,584</u>

18. Controlling party

The immediate parent undertaking and ultimate controlling party is Norwegian Air Shuttle ASA, a company incorporated in Norway.

Norwegian Air Shuttle ASA is the parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up for the year ended 31 December 2016. Copies of these financial statements can be obtained from Norwegian Air Shuttle ASA, Oksenøyveien 3, 1366 Lysaker, Norway.

19. Subsequent events

Norwegian Air Shuttle ASA contributed with capital increase in Norwegian Air UK Ltd of \$3,000,000 in February 2017, which resulted in a share increase to 15,000,000 shares and with \$20,000,000 in October 2017, which increased their total shares to 55,000,000.