Registered number: 9360346

Norwegian Air UK Limited

Annual report and financial statements
For the year ended 31 December 2018

Contents

Company Information

Directors	E Thorstad A Nyseth F Berg
Registered number	9360346
Registered office	First Point Buckingham Gate Gatwick Airport RH6 0NT
Independent auditors	Deloitte LLP Statutory Auditor 3 Rivergate Temple Quay Bristol BS1 6GD

The directors present their strategic report and the financial statements for the year ended 31 December 2018.

Business review and future developments

MARKET CONDITIONS

Norwegian Air Shuttle ASA Group ("Norwegian") is the third largest low-cost carrier in Europe and eighth largest in the world. It is a truly global airline, with a route network stretching across Europe into North Africa, the Middle East, North America, the Caribbean, South America and South-East Asia. Norwegian's long haul network has increased by more than 20 per cent during 2018 and reached a total of more than 60 intercontinental routes at year-end 2018. Norwegian also has a vast domestic route network in Norway, Sweden, Denmark, Finland and Spain, as well as a wide range of routes between Scandinavia and the European continent and UK.

In 2018, Air traffic continued to prove its resilience when compared to slow economic growth by outperforming global GDP which showed a clear global demand and appreciation of the benefits associated with aviation. Revenue passenger kilometres ("RPKs") experienced a global growth of 6.4 per cent in 2018 according to the International Civil Aviation Organization (ICAO) figures. The low-cost carriers continued to increase their market share, with the European market at the top with 36 per cent of total passengers. 2018 has also been a challenging year for the industry with uncertain fuel prices, equipment reliability issues from several original equipment manufacturers (OEMs) and geopolitical uncertainty with increased trade protectionism has significantly impacted the trading environment.

The European airline market is fragmented with Europe's top seven airline groups only controlling 55 per cent of seats to/from/within Europe in summer 2018, compared with an 82 per cent share for North America's top seven. The short haul market within Europe has continued to experience heavy competition with overcapacity in many areas. The bankruptcy of Air Berlin in 2017 has seen a surge of competitors enter Germany, putting pressure on yields. In addition, more of the legacy carriers have un-bundled their fare structures on short-haul to improve their competitive edge with the low cost carriers on price. This has continued to weigh heavily on the industry and resulted in further airline bankruptcy or restructures, including Primera Air, Laudamotion and Wow air.

Low cost carrier competition in the Nordic markets continued to increase in 2018 with more routes from Wizzair and the introduction of Easyjet at Oslo Airport.

Competitors have continued to adapt their business models to better compete with Norwegian's long-haul operation as well. As on short-haul, many established long-haul carriers have de-bundled their products, offering seat only prices to compete with our low fares. Actions by airline competitors continue to show that Norwegian's long-haul network is directly impacting on their margins.

Norwegian Air UK Ltd (NUK)

Norwegian Air UK Limted, ("NUK") was established in the United Kingdom in 2015 and has seen continued growth throughout 2017 and 2018 with new routes, additional aircraft and increased traffic rights carrying an additional 1.6 million more passengers compared to prior year.

During 2018 the company continued with its long haul operation and has added a further 11 Boeing 787 aircraft to its fleet in 2018, (2 aircraft in 2017). NUK continues to operate under it's own AOC and serving Oslo Gardermoen to Barcelona, Málaga and Nice and from London Gatwick to Singapore and from London Gatwick to Buenos Aires Ezeiza which began in February 2018..

MARKET CONDITIONS (continued)

Norwegian Air UK Ltd (NUK) (continued)

From 25th March 2018, NUK began operating the rest of the Norwegian group's long-haul routes from London Gatwick to the United States, which were previously operated by its parent company Norwegian Air Shuttle. NUK increased its turnover from $84M (2017) to $696M (2018) an increase of $612M. This was further supported by a key performance indicator of load factor and a jump of 14% to 88% compared to prior year (74% in 2017). In the second qaurter of 2019, measured by revenue at the point of origin, The United States was Norwegian's largest market.

Further, on 1st November 2018 the Company agreed a compensation agreement with the parent on unfavourable flight routes thereby guaranteeing a profit going forward.

NUK is headquartered at London Gatwick with approximately 23 employees.

FINANCIAL RISK AND RISK MANAGEMENT

Principal risks and uncertainties

Risk management for NUK is based on the principle that risk evaluation is an integral part of all business activities. Policies and procedures have been established to manage risk. NUK follows the same principle as the Norwegian Group, and the Group's Board of Directors reviews and evaluates the overall risk management systems and environment in the company on a regular basis.

NUK faces many risks and uncertainties in a global marketplace that has become increasingly volatile. The variety of economic environments and market conditions can be challenging, with the risk of Norwegian's unit cost not being low enough to shield the airline in case of weaker consumer demand and business confidence in its key markets.

NUK is exposed to the same risks as the parent company, Norwegian Air Shuttle ASA, is exposed to and so the following presents the relevant risks relevant to the group:

Price volatility may have a significant impact on the company's results. Higher leverage as well as changes in borrowing costs may increase Norwegian's borrowing cost and cost of capital. The Group's reported results and net assets denominated in foreign currencies are influenced by fluctuations in currency exchange rates and in particular the US dollar.

The Group's main strategy for mitigating risks related to volatility in cash flows has been to shift its strategy from growth to profitability through a series of measures, including an optimized route portfolio, and the extensive cost reduction program #Focus2019.

Financial risk management is carried out by a central treasury department (Group treasury), under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risk in close cooperation with the Group's operating units. The Board provides principles for overall risk management such as foreign currency risk, jet-fuel risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

At 31st March 2019, the Group had completed a rights issue providing an equity increase of close to NOK 3 billion in order to restore a satisfactory financial position.

Further, as of the third quarter of 2019, Norwegian announced the postponement of the repayment of two unsecured bonds thus creating additional financial headroom to return to profitability.

Principal risks and uncertainties (continued)

Interest risk

NUK is exposed to changes in the interest rates, due to its amount of interest-bearing debt. The Group's cash flow interest rate risk arises from cash and cash equivalents and floating interest rate. Floating interest rate borrowings consist of unsecured bonds, aircraft and prepayment financing, loan facility and financial lease liabilities. Fixed interest rate borrowings consist of aircraft financing guaranteed by export credits, commercial debt for aircraft and unsecured bonds.

Foreign currency risk

A substantial part of the Group's revenues and expenses are denominated in foreign currencies. Revenues are increasingly exposed to changes in foreign currencies against NOK as the Group expands globally with more customers travelling from the USA and between European destinations. NUK's leases, aircraft borrowings, maintenance, jet-fuel and related expenses are mainly denominated in USD, and airplane operation expenses are partly denominated in EUR and GBP. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

In order to reduce currency risk, the Group has a mandate to hedge up to 100 per cent of its currency exposure for the following 12 months. At the end of 2018, the Group does not have significant currency forward contracts.

Price risk

Expenses for jet-fuel represent a substantial part of the NUK's operating costs, and fluctuations in jet-fuel prices influence the projected cash flows. The objective of the jet-fuel price risk management policy is to safeguard against significant and sudden increases in jet-fuel prices whilst retaining access to price reductions. The Group manages jet-fuel price risk using fuel derivatives. Management has a mandate to hedge up to 100 per cent of its expected consumption over the next 24 months with forward commodity contracts. The Group has forward contracts at the end of 2018 to cover approximately 35 per cent of fuel exposure at September 2019 at an average price of USD 681 per ton. There is no hedging going into 2020.

Liquidity risk

The Group monitors rolling forecasts of liquidity reserves, cash and cash equivalents. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and evaluating the level of liquid assets required. Furthermore, these analyses are used to monitor balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. Following the acquisition of aircraft with future deliveries, Norwegian will have ongoing financing activities. The Group's strategy is to diversify the financing of aircraft through sale and leaseback transactions and term loan financing supported by the export credit agencies in the United States and EU.

A portion of the Group's sales are paid for by the customers at the time of booking and Norwegian receive the actual payments from the credit card acquirers either at the time of sale or at the time of travel. Delayed payments from credit card companies vary between credit card acquirers. A reduction in credit lines with credit card acquirers might have an adverse effect on the company's liquidity..The risk arising from receivables on credit card companies or credit card acquires are monitored closely.

Principal risks and uncertainties (continued)

Credit risk

Credit risk is managed on a Group-wide basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to travel agencies and commercial customers, including outstanding receivables and committed transactions. The utilization of credit limits is regularly monitored. The Group's policy is to maintain credit sales at a minimum level. Sales to private customers are settled in cash or using major credit card companies.

At 31 December 2018, 67 per cent of total trade receivables are with counterparties with an external credit rating of A or better, and 95 per cent of total cash and cash equivalents are placed with A+ or better rated counterparties.

Environmental Risks

The Group has an ambition to continue reducing emissions per passenger and help making aviation carbon neutral by 2050. The environmental footprint is reduced by flying the most modern and fuel- efficient aircraft in the skies. Norwegian also actively engages in various tree planting projects around the world that help reduce emissions.

Political Risks

A potential exit by the UK from the EU might shape 2019, but with the Norwegian long-haul operation out of Gatwick being performed by our UK carrier and the short-haul operation likely secured by contingency arrangements between the EU and UK to ensure air connectivity, the effects of Brexit will be limited. Further preparations for a worstcase scenario with Brexit have been made across the organization and contingency plans have been put in place, such as updated crew licensing policies and applications for required approvals for our AOCs.

Operational Risks

Norwegian saw the peak of its long-haul growth in 2018. This growth combined with Rolls Royce engine issues has resulted in disruption across our network. Norwegian has been forced to wet lease in widebody aircraft to cover grounded 787 aircraft due to engine issues. This has had a negative impact on commercial performance and passenger experience. The position is more positive going into 2019 as the Group has ensured greater operational contingency through grounding aircraft in Q1. It is also expected that Rolls Royce engine reliability to improve significantly from Q2 onwards.

On 12 March 2019 Norwegian announced that the Company will ground its 18 Boeing 737 MAX 8 until further notice, based on recommendation from European aviation authorities. The Company is in continuous dialogue with aviation authorities and with Boeing and are following their recommendations and instructions. Norwegian also has Boeing 737-800 and Boeing 787 Dreamliners in its fleet, but these are not affected. Norwegian has worked, and is still working on, reallocating the aircraft fleet to mitigate the consequences.

Future Developments

Outlook 2019

The long-term outlook of the aviation industry is positive, with GDP growth fuelling demand for travel, especially intercontinental travel and tourism. In quarter 2, the group delivered the highest second quarter operating revenue in the history of Norwegian, and looking further forward we see that bookings have peaked this summer and overall demand for the coming months look promising.

In March 2019 the company expanded it's operation further and began flying direct from London Gatwick to Rio de Janerio. A total load factor of 84.7% as of the first 6 months to June (85.8% for total 2018) is positive with the peak travel period still to come.

Further, the Group has strengthened its balance sheet through a fully underwritten rights issue. The rights issue subscription period was successfully completed and fully paid in March 2019, resulting in a positive increase in liquidity for the NAS Group of 3 billion NOK.

Norwegian has shifted its strategy from growth to profitability, and is returning to profitability through a series of measures. A key part of this is an optomized route portfolio and to reduce the cost base through extensive cost reduction program #Focus2019, which is expected to reduce the cost base significantly. As of closing quarter 2, Norwegian achieved it is cost reduction target of 1 billion NOK and is on target to reach it's goal of 2 billion NOK saving for 2019.

The growth rate of the long-haul operation in the company will also significantly drop in 2019 with the focus changing from growth to route and profitability and optimization.

The UKs exit from EU will also shape 2019, the company is supported by the group and likely contingency arrangements between the EU, US and UK to ensure air connectivity, ensuring the effects of a hard Brexit will be limited. Further preparations for a worst-case scenario with a hard Brexit have been made across the organization and contingency plans have been put in place, such as updated crew licensing policies and applications for required approvals for our AOCs.

Norwegian is currently assessing the financial impact of the grounding of Boeing 737 MAX worldwide. The group has 18 737 MAX in the current fleet and further deliveries are put on hold. Plans are in place to uphold the scheduled production and minimize effects on passengers. NUK operated zero Boeing 737 MAX Aircraft worldwide prior to the groundings.

As of the third quarter of 2019, Norwegian has announced the postponement of the repayment of two unsecured bonds thus creating additional financial headroom for a return to profitability.

Norwegian continues to establish and develop an organizational structure that will secure cost efficient, international expansion and necessary traffic rights for the future.

Declaration of the financial statement

We confirm that the financial statements for the year 2018, to the best of our knowledge, have been prepared in accordance with International Financial Reporting Standards (IFRS), gives a true and fair view of the Company's and assets, liabilities, financial position and results of operations, and that the annual report includes a fair review of the development, results and position of the Company, together with a description of the most central risks and uncertainty factors facing the company.

This report was approved by the board on 30.09.2019 and signed on its behalf by;

Frode Berg
Director

The directors present their report and the financial statements for the year ended 31 December 2018.

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.

The Company has its registered office address at First Point, Buckingham Gate, Gatwick Airport, RH6 0NT.

The Company is a wholly owned subsidiary of Norwegian Air Shuttle ASA (refer to note 20)

Results and dividends

The loss for the year, after taxation, amounted to $43,343,234 (2017 - loss $15,647,487) and at the year end the Company had net assets of $38,853,195 (2017: net assets of $7,196,429).

No dividend payments have been made during 2018 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

Going concern

After making enquiries and preparing and reviewing forecasts, 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.

During 2018 the company continued with its long haul operation and has added a further 11 Boeing 787 aircraft to its fleet in 2018, (2 aircraft in 2017). In addition the parent group made a capital contribution to the company totalling $75m. Further, On 1 November 2018 the Company agreed a compensation agreement with the parent on unfavourable flight routes given and thereby guaranteeing a profit going forward.

The directors have also received confirmation from the parent group that they will continue to provide financial support to the company. Having reviewed the financial position, performance, future forecasts and on the basis the parent company has (i) raised NOK 3 billion in a rights issue in March 2019 and (ii) refinanced two bonds in September 2019 totalling USD 380 million the directors are satisfied support will contine to be forthcoming.

Whilst trading remains challenging for the Group and there are risks to the Group's ongoing liquidity and covenant compliance as described on pages 2 to 4, the directors believe that the mitigations available to the Group are adequate to ensure continued trading through 2019 and onwards.

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.

Post balance sheet events

In March 19, the Group strengthened its balance sheet through a fully underwritten rights issue. The rights issue subscription period was successfully completed and fully paid, resulting in a positive increase in liquidity for the NAS Group of 3 billion NOK.

In the same month, the Federal Aviation Administration issued an order to suspend operations of all Boeing 737 MAX aircraft. Due to the uncertainty relating to the ultimate grounding of this aircraft type, indicators of impairment were robustly assessed by Management. The result of this assessment was that no impairment was applicable at the year ended 31 December 2018. Management continue to monitor developments with Boeing through 2019 with a focus on the planned re-commencement of MAX operations in late 2019. NUK operated zero Boeing 737 MAX Aircraft worldwide prior to the groundings.

Further, as of the third quarter of 2019, Norwegian has announced the postponement of the repayment of two unsecured bonds thus creating additional financial headroom for a return to profitability.

There were no other significant events after the reporting period as at the date of the signing of the financial statements.

Auditors

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

This report was approved by the board on 30.09.2019 and signed on its behalf.

F Berg
Director

Director's responsibilities statement
For the year ended 31 December 2018

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, 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.

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.

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Norwegian Air UK Ltd (the 'company'):

· give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
· have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework; and
· have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

· the statement of comprehensive income;
· the balance sheet;
· the statement of changes in equity; and
· the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities 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.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

· the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or

· the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Report on the audit of the financial statements (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have 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 ISAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the audit of the financial statements (continued)

Report on other legal and regulatory requirements

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
· the strategic report and the directors' report have 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 strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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
· we have not received all the information and explanations we require for our audit.

Use of our report

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.

Sonya Butters (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Bristol
United Kingdom

30 SEPTEMBER 2019

Statement of comprehensive income
For the year ended 31 December 2018

(USD)	NOTE	2018	2017
Turnover	3	695 939 414	84 347 207
Cost of sales	4	(727 401 241)	(92 608 718)
Gross (loss)		(31 461 827)	(8 261 511)
Administrative expenses		(17 935 673)	(7 048 834)
Operating (loss)		(49 397 500)	(15 310 346)
Financial Items		(6 543 441)	(337 142)
Total Financial Items		(6 543 441)	(337 142)
(Loss) before taxes		(55 940 941)	(15 647 487)
Tax on loss	9	12 597 707	0
Total comprehensive loss for the year		(43 343 234)	(15 647 487)

Revenue and profit for the year are all derived from continuing operations.

There was no other comprehensive income for 2018 (2017:$NIL).

The notes on pages 17 to 32 form part of these financial statements.

Balance Sheet
As at 31 December 2018

(USD)	NOTE	2018	2017
Non current assets			
Deferred tax	9	12 597 707	-
Tangible assets	7	7 725 759	1 161 542
Investments	8	581 604	78 005
		20 905 070	1 239 547
Current assets			
Debtors	10	386 849 978	37 234 905
Cash at bank and in hand	11	2 106 037	28 756 827
		388 956 015	65 991 732
Creditors: amounts falling due within one year	12	(354 718 816)	(49 176 469)
Net current assets		34 237 200	16 815 263
Total assets less current liabilities		55 142 268	18 054 810
Creditors: amounts falling due after more than one year	13	(4 047 143)	(4 122 343)
		51 095 125	13 932 467
Provisions for liabilities			
Other provisions	14	(12 241 931)	(6 736 038)
		(12 241 931)	(6 736 038)
Net assets		38 853 194	7 196 429
Net assets		38 853 194	7 196 429
Capital and reserves			
Called up share capital	16	102 500 000	27 500 000
Profit and loss account		(63 646 806)	(20 303 571)
Shareholder's funds		38 853 194	7 196 429

Balance Sheet
As at 31 December 2018

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30.09.2019

F Berg
Director

The notes on pages 17 to 32 form part of these financial statements.

Statement of Changes in Equity
For the year ended 31 December 2018

(USD)	Called up share capital	Profit & loss account	Total equity
At 1 January 2018	27 500 000	(20 303 571)	7 196 429
Comprehensive loss for the year			
Loss for the year	-	(43 343 234)	(43 343 234)
Total comprehensive loss for the year	-	(43 343 234)	(43 343 234)
Contributions by and distributions to owners			
Shares issued during the year (note 16)	75 000 000	-	75 000 000
Total transactions with owners	75 000 000	-	75 000 000
At 31 December 2018	102 500 000	(63 646 805)	38 853 195

Statement of Changes in Equity
For the Year Ended 31 December 2017

(USD)	Called up share capital	Profit & loss account	Total equity
At 1 January 2017	4 500 000	(4 656 084)	(156 084)
Comprehensive loss for the year			
Loss for the year	-	(15 647 487)	(15 647 487)
Total comprehensive loss for the year	-	(15 647 487)	(15 647 487)
Contributions by and distributions to owners			
Shares issued during the year	23 000 000	-	23 000 000
Total transactions with owners	23 000 000	-	23 000 000
At 31 December 2017	27 500 000	(20 303 571)	7 196 429

The notes on pages 17 to 32 form part of these financial statements.

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 2018 were authorised for issue by the board of directors on 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 2018.

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 ASAs 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.

IFRS 9 Financial Instruments

Transition to IFRS 9 Intercompany receivables and payables

The legal entities of the Norwegian Group have various intercompany (IC) receivables and payables against each other. These intercompany items mainly come in two categories;

- Trade receivables and payables
- Deposit and Credit facilities

Trade receivables and payables are IC items arising from billing of services between the companies as part of the normal course of business. Such IC items are not interest bearing and they fall due within short terms and in accordance with IC agreements being established under an arm's length principle. Trade payables and receivables are normally netted within each currency and thereafter settled in cash in accordance with agreed credit terms. In certain situations, if agreements are established to support such a transfer, trade payables and receivables are transferred to balances of Deposit and Credit facilities and hence made interest-bearing accordingly from that time.

Deposit and Credit facilities are intercompany revolving facility agreements between companies of the Group. All such agreements are interest-bearing under an arm's length principle, they are typically established for a duration of up to three years and they are established alongside legal structure of Group, i.e. the agreements are established between a parent and its subsidiary. The agreements are typically denominated in a currency equal to the functional currency of the subsidiary. Deposit facilities are established for a subsidiary's placement of surplus cash with its parent company, whereas Credit facilities are used for a subsidiary's cash needs for working capital and investments.

1. Accounting policies (continued)

IFRS 9 Financial Instruments (continued)

All the financial assets arising from Trade receivables and Deposit and Credit facilities meet the cumulative requirements of IFRS 9.4.1.2, i.e. the assets give rise to cash flows solely being principal and interest whereas the assets are held within a business model whose objective it is to collect these cash flows. Hence are such financial assets to be measured at amortized cost.

IFRS 9 - Financial Asset Impairment

As per year-end 2018 all IC assets and liabilities are reconciled to mutually confirm the balances between the parties and interest is capitalized on Deposit and Credit facilities such as required by the established agreements. When it comes to Trade receivables and payables the general cash situation of the Group has resulted in some delays in the cash settlement of such IC items towards the end of the year, and balances between many companies are therefore larger than what characterizes a normal situation. There are two cash pools in the Group and a certain level of free cash is hence required to settle IC trade items in an effective manner. The Group has gradually returned to normal cash settlement procedures subsequent to the receipt of NOK 2.9 BN from the rights issue completed March 2019.

The company accounts are reported under an assumption of going concern and so are all the 2018 individual financial statements of the various legal entities. It is the Group's expectation that all intercompany financial assets eventually will be recovered in cash with their full nominal amounts and hence that expected lifetime credit losses will be zero for all intercompany financial assets. In accordance with this assumption none of the Group's entities has recognized any impairment on intercompany financial assets.

Transition to IFRS 15 Revenue from Contracts with Customers

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for annual periods beginning on or after 1 January 2018. The company decided to implement IFRS 15 using the exempt method whereas the cumulative effect of initially applying the standard is recognized at the date of initial recognition as an adjustment to the opening balance of retained earnings. As changes to the financial statements following the adoption of IFRS 15 are immaterial, the company presents no amount as such cumulative effect.

Most of the company's revenues have been recognized at the time of travel, which also applies under IFRS 15. There are certain fees previously being recognized at time of sale, whereas these are recognized at the time of travel under IFRS 15. The associated amounts are considered as immaterial.

1. Accounting policies (continued)

1.4 New Standards not yet adopted

New and revised standards in issue but not yet effective:

- IFRS 16 - Leases
- IFRS 17 - Insurance contracts
- IFRIC - Uncertainty over Income Tax Treatments

The directors do not expect that the adoption of the new accounting standards listed above will have a material impact on the financial statements of the company in future periods except as noted below.

IFRS 16, Leases

IFRS 16 replaces the current standard IAS 17, Leases and related interpretations. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to financial leases applying IAS 17. The standard is effective for accounting periods beginning on or after January 1, 2019.

There will be a significant impact on the company's income statement and statement of financial position from the adoption of IFRS 16. The impact of the new accounting standards is arising from the changed presentation of operational aircraft and facility leases. Under aircraft leases the Group will as part of right-of-use assets (ROU assets) include an estimate of costs to be incurred in restoring the aircraft asset to the condition required by the terms and conditions of the lease. Other maintenance obligations will be recognized in accordance with IAS 37 and built up over the lease term as time elapses and the aircraft is utilized, up until the relevant maintenance activities are carried out and the obligation hence is settled. The Company has elected to apply the recognition exemption to short-term leases and to leases for which underlying assets are of low value.

IFRS 16 allows various adoption approaches. The company has decided to apply the modified retrospective approach under which all ROU assets are measured at an amount equal to the lease liability at January 1, 2019. The cumulative effect of initially applying the standard to be recognized as an adjustment to the opening balance of retained earnings is hence expected to be zero. Under this transition approach, the 2018 comparable numbers presented in the 2019 reporting will not be restated as if IFRS 16 was applied in 2018.

Based on the lease portfolio at the transitional date 1 January 2019 and compared to as if the standard was not implemented, the company expects the transition effect in 2019 to be material and are working to finalise the assesment of the total impact.

The amount will be calculated based on judgements and interpretations at the release of this report. IFRS 16 is a new standard under which interpretations are evolving and the final transitional effect could change correspondingly.

1. Accounting policies (continued)

1.5 Going concern

After making enquiries and preparing and reviewing forecasts, 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.

During 2018 the company continued with its long haul operation and has added a further 11 Boeing 787 aircraft to its fleet in 2018, (2 aircraft in 2017). In addition the parent group made a capital contribution to the company totalling $75m. Further, On 1 November 2018 the Company agreed a compensation agreement with the parent on unfavourable flight routes given and thereby guaranteeing a profit going forward.

The directors have also received confirmation from the parent group that they will continue to provide financial support to the company. Having reviewed the financial position, performance, future forecasts and on the basis the parent company has (i) raised NOK 3 billion in a rights issue in March 2019 and (ii) refinanced two bonds in September 2019 totalling USD 380 million the directors are satisfied support will contine to be forthcoming.

Whilst trading remains challenging for the Group and there are risks to the Group's ongoing liquidity and covenant compliance as described on pages 2 to 4, the directors believe that the mitigations available to the Group are adequate to ensure continued trading through 2019 and onwards.

1.6 Revenue recognition

Most of the company's revenues have been recognized at the time of travel, which also applies under IFRS 15. There are certain fees previously being recognized at time of sale, whereas these are recognized at the time of travel under IFRS 15. The associated amounts are considered as immaterial.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

•the Company has identified the contract with the customer;
•the performance obligations are determined within the contract;
•the transaction price is determined;
•the allocation of the transaction price to the performance obligations within the contract; and
•revenue is recognised when the Company satisfies the performance obligations defined in the contract

Rebates to customers are recognised when control passes to the customer as part of determination of the transaction price for the contract.

Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1. Accounting policies (continued)

Wet Lease Revenue

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 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.
- the costs incurred and the costs to complete the contract can be measured reliably.

Ticket and Other Revenue

Ticket and other revenue consist of the sale of plane tickets and other ancillary services such as extra luggage. The company's policy for recognising ticket and other revenue is recognised based on the rendering of services noted above.

1.7 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
Equipment - 3 to 5 years
Aircraft leasehold improvements - 8 to 12 years

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.

1.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses in remeasurement are recognised in the statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost loss impairment.

1.9 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. Accounting policies (continued)

1.10 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.

1.11 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.

1.12 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.

1.13 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.

1.14 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 except when deferred in other comprehensive income as qualifying cash flow hedges.

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. Accounting policies (continued)

1.15 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.

1.16 Provision for liabilities

Provisions are made where the event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation and are measured at best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried at the balance sheet date.

1.18 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.

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

In the preparation of the financial statements and application of the company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources.

Critical Judgements

Deferred tax assets are recognized for all unused tax losses to the extent that taxable profits are probable going forward guaranteed by the compensation agreement with the parent on unfavourable flight routes. Significant management judgment is required to determine the amounts of deferred tax assets that can be recognized, based on the anticipated timing and level of future taxable profits together with future tax planning strategies. The estimated future profits for the company will allow for utilization of carry-forward losses within the next one to two years.

Key Sources of estimation uncertainty

Deferred tax assets are recognized for all unused tax losses to the extent that taxable profits are probable. Significant management judgment is required to determine the amounts of deferred tax assets that can be recognized, based on the anticipated timing and level of future taxable profits s together with future tax planning strategies. These judgments involve assumptions or estimates in light of future events that can differentiate from what is expected in the budget or forward looking forecasts.

The Company pays a 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:

(USD)	2018	2017
Ticket revenue	473 051 619	5 923 359
Lease revenue	65 680 687	62 901 907
Wet lease revenue	21 692 309	12 661 741
Other revenue	115 360 767	1 530 645
Freight revenue	20 154 032	1 329 556
Total sales	695 939 414	84 347 208

All turnover arose within the United Kingdom.

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

4. Loss before tax

The loss before tax is stated after charging:

(USD)	2018	2017
Lease payments under operating leases recognised as an expense in the year (includes wet lease)	216 710 666	72 529 652
Foreign currency (losses) before tax	(6 425 427)	(333 810)
Total	210 285 239	72 195 842

5. Payroll and personnel expenses

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

	2018	2017
Management	5	5
Technical	5	6
Operations	12	11
Station	1	1
Total average number of employees	23	23

Staff costs, were as follows:

(USD)	2018	2017
Wages and salaries	2 345 276	1 900 928
Social security costs	303 312	245 674
Costs of defined contribution scheme	146 472	95 785
Other personnel cost	53 416	12 914
Total payroll and personnel expenses	2 848 475	2 255 300

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.

7. Tangible fixed assets

Fixtures and fittings

(USD)	
Cost at 1st January 2018 and 31st December 2018	1 456 377
Accumulated depreciation and amortisation	
At 1st January 2018	432 196
Current period depreciation of equipment	292 623
At 31st December 2018	724 819
Book value at the end of the financial year 2018	731 558

Equipment

Cost at 1st January 2018	-
Additions	471 057
Cost at 31st Decemeber 2018	471 057

7. Tangible fixed assets (continued)

Accumulated depreciation and amortisation

At 1st January 2018	-
Current period depreciation of equipment	62 808
At 31st January 2018	62 808
Net book value at 31st December 2018	408 249

Aircraft leasehold improvements

Cost at 31st January 2018	140 000
Additions	6 685 443
At 31st December 2018	6 825 443

Accumulated depreciation and amortisation

At 31st January	2 639
Current period depreciation of equipment	236 852
At 31 December 2018	239 491
Net book value at 31st December 2018	6 585 952
Net tangible assets at the end of the financial year 2018	7 725 759

8. Fixed asset investment

(USD)
Cost

At 1st January 2018	78 005
Additions	503 599
At 31st December 2018	581 604
Net Book Value	
At 31st December 2017	78 005
At 31st December 2018	581 604

8. Fixed asset investment (continued)

Affiliate undertaking

The following is the affiliate undertaking of the company:

Name	Class of shares	Holding	Registered address
Norwegian Air Argentina Holding SA	Ordinary	5%	Tucumán 633, 4th floor, Autonomous City of Buenos Aires, Argentina

9. Tax on loss	**2018**	**2017**
Current tax on profits / (loss) for the year	-	-
Total current tax	-	-
(USD)		
Deferred tax:		
Current year	(14 079 790)	(10 217)
Adjustment in respect of previous periods	-	9 025
Effect of changes in tax rates	1 482 083	1 193
Total deferred tax	(12 597 707)	-
Tax per income statement	(12 597 707)	-

The tax expense for the period of $12, 597 707 (2017: $Nil), comprises of current and deferred tax asset. The carrying amount of deferred income tax asset is reviewed at each reporting period to the extent that it will be probable that sufficient taxable profit will be available to allow all of the deferred income tax asset to be utilized.

Factors Affecting Total Tax Charge for the Current Period

Loss for the period - continuing activities	(55 940 941)	(15 647 487)
Tax on loss at standard UK tax rate of 19.00% (2017: 19.25%)	(10 628 779)	(3 011 605)
Effects of:		
Adjustments in respect of prior years	-	9 025
Expenses not deductible	67 999	40 423
Tax rate changes	1 482 083	1 193
Effects of group relief/ other reliefs	159 151	51 635
Amounts not recognised	(3 678 161)	2 909 329
Tax credit for the period	(12 597 707)	-
Income tax expense reported in the income statement	12 597 707	
Deferred tax (assets) / liabilities:		
Adjustment in respect of prior years		9 025
Deferred tax charge to I/S for the period	(12 597 707)	-9 025
Asset at end of period	(12 597 707)	-

9. Tax on loss (continued)

Total tax charge for the year

The Company has gross tax losses and temporary differences of $ 74,207,991 carried forward as at 31 December 2018 to use against future taxable income.

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 19.25% to 19% respectively from 1 April 2018.

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.

10. Debtors

Due within one year	**2018**	**2017**
(USD)		
Amounts owed by group undertakings	311 768 930	29 104 715
Prepayments and accrued income	37 576 909	86 835
Other debtors	2 464 449	37 917
Unrecognised deferred tax asset	-	3 339 197
	351 810 288	32 568 663

The directors consider that the fair value of trade and other receivables equate to their carrying value.

Prepaid costs as per 31 December 2018 include USD 246,281 (2017: $31,355) in contract assets associated with cost of distribution of tickets for future travel dates.

Due after more than one year		
Other debtors due after one year and less than 5 years	10 492 161	5 625 438
Other debtors due after 5 years	24 547 529	2 380 000
Total debtors due after more than one year	35 039 690	8 005 438
Total debtors	386 849 978	40 574 102

11. Cash and cash equivalents

	2018	**2017**
(USD)		
Cash at bank and in hand	2 106 037	28 756 827
Total cash at bank and in hand	2 106 037	28 756 827

12. Creditors: Amounts falling due within one year

(USD)	2018	2017
Trade creditors	25 740 747	1 504 514
Amounts owed to group undertakings	285 660 052	45 046 423
Other taxation and social security	124 952	99 907
Accruals and deferred income	43 193 066	2 525 625
Total creditors falling due within one year	354 718 816	49 176 469

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

(USD)	2018	2017
Amounts owed to group undertakings	13 437	-
Other creditors	38 297	32 395
Accruals and deferred income	3 995 409	4 089 948
Total creditors falling due after more than one year	4 047 143	4 122 342
Total creditors	358 765 960	53 298 811

14. Other Provisions

Other provisions - Aircraft Maintenance

(USD)	2018	2017
At 1st January	6 736 038	4 435 184
Additions	5 505 893	2 300 854
At 31 December	12 241 931	6 736 038

15. Financial instruments

Financial assets

(USD)	2018	2017
Financial assets measured at fair value through profit or loss	2 106 037	28 756 827
Financial assets measured at amortised cost	349 655 903	37 155 318
Financial assets that are equity instruments measured at cost less impairment	351 761 940	65 912 145

Financial liabilities

Financial liabilities measured a amortised cost	(311 485 910)	(46 663 023)

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

Financial assets measured at fair value through profit and loss comprising of cash and cash equivalents

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.

16. Share capital

(USD)	2018	2017
Authorised, allotted, called up and fully paid		
205,000,000- Ordinary shares of $0.50 each	102 500 000,00	27 500 000,00

Norwegian Air shuttle ASA purchased a further 150,000,000 shares in the company, and owns 100% of the share capital of Norwegian Air International Limited. Each class of share leaves no right to a fixed income, but holders have the right to attend and vote and general meetings of the Company and to receive dividends declared and paid by the Company.

17. 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 $1,777 (2017 - $15,623) were payable to the fund at the balance sheet date.

18. Commitments under operating leases

At 31 December 2018 the present value of future minimum lease payments under non-cancellable operating leases are as follows:

(USD)	2018	2017
Not later than 1 year	171 649 413	20 679 537
Later than 1 year and not later than 5 years	686 597 652	18 262 402
Later than 5 years	1 064 312 971	23 096 774
Total lease commitments	1 922 560 037	62 038 713

19. Auditors remuneration

The company paid the follow amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company.

(USD)	2018	2017
Fees for the audit of the company	115 562	64 905
Total fees for the audit of the company	115 562	64 905

20. 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 2018. Copies of these financial statements can be obtained from Norwegian Air Shuttle ASA, Oksenøyveien 3, 1366 Lysaker, Norway.

21. Post balance sheet events

In March 19, the Group strengthened its balance sheet through a fully underwritten rights issue. The rights issue subscription period was successfully completed and fully paid, resulting in a positive increase in liquidity for the NAS Group of 3 billion NOK.

In the same month, the Federal Aviation Administration issued an order to suspend operations of all Boeing 737 MAX aircraft. Due to the uncertainty relating to the ultimate grounding of this aircraft type, indicators of impairment were robustly assessed by Management. The result of this assessment was that no impairment was applicable at the year ended 31 December 2018. Management continue to monitor developments with Boeing through 2019 with a focus on the planned re-commencement of MAX operations in late 2019. NUK operated zero Boeing 737 MAX Aircraft worldwide prior to the groundings.

Further, as of the third quarter of 2019, Norwegian has announced the postponement of the repayment of two unsecured bonds thus creating additional financial headroom for a return to profitability.