Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	943 771 030
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	GKN AEROSPACE NORWAY AS
Forretningsadresse:	Kirkegårdsveien 45
	3616 KONGSBERG

Regnskapsår

Årsregnskapets periode:	01.01.2018 - 31.12.2018

Konsern

Morselskap i konsern:	Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Nina Karine Lindseth
Dato for fastsettelse av årsregnskapet:	18.03.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert

År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

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

Brønnøysundregistrene, 04.11.2021

Brønnøysundregistrene
Postadresse: 8910 Brønnøysund
Telefoner: Opplysningstelefonen 75 00 75 00 Telefaks 75 00 75 05
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2, 20	1 981 728 000	2 110 848 000
Annen driftsinntekt		697 000	302 000
Sum inntekter		**1 982 425 000**	**2 111 151 000**
Kostnader			
Varekostnad	8, 20	613 603 000	715 813 000
Lønnskostnad	3, 11	412 774 000	407 506 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	6, 7	53 457 000	53 753 000
Annen driftskostnad	3, 4, 20	274 224 000	230 147 000
Sum kostnader		**1 354 058 000**	**1 407 218 000**
Driftsresultat		**628 367 000**	**703 932 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		776 000	650 000
Annen renteinntekt		125 000	42 000
Verdiøkning andre finansielle instrumenter vurdert til virkelig verdi	19	-29 455 000	91 964 000
Sum finansinntekter		**-28 553 000**	**92 656 000**
Rentekostnad til foretak i samme konsern	20	-19 362 000	-5 513 000
Annen finanskostnad		374 000	306 000
Sum finanskostnader		**-18 988 000**	**-5 207 000**
Netto finans		**-9 565 000**	**97 863 000**
Ordinært resultat før skattekostnad		**618 802 000**	**801 795 000**
Skattekostnad på ordinært resultat	5	144 047 000	193 869 000
Ordinært resultat etter skattekostnad		**474 756 000**	**607 926 000**
Årsresultat		**474 756 000**	**607 926 000**
Årsresultat etter minoritetsinteresser		**474 756 000**	**607 926 000**

Resultatregnskap

Beløp i: NOK	Note	2018	2017
Totalresultat		**474 756 000**	**607 926 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	17	474 756 000	607 926 000
Sum overføringer og disponeringer		**474 756 000**	**607 926 000**

Balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	6, 6, 6	309 899 000	327 040 000
Utsatt skattefordel	5	38 763 000	32 525 000
Sum immaterielle eiendeler		**348 662 000**	**359 565 000**
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	7, 7	39 941 000	40 121 000
Maskiner og anlegg	7	311 434 000	286 516 000
Sum varige driftsmidler		**351 375 000**	**326 636 000**
Finansielle anleggsmidler			
Investeringer i aksjer og andeler	9		
Andre fordringer	10		1 348 000
Sum finansielle anleggsmidler			**1 348 000**
Sum anleggsmidler		**700 037 000**	**687 550 000**
Omløpsmidler			
Varer			
Sum varer	8	**506 581 000**	**434 658 000**
Fordringer			
Kundefordringer	12	106 906 000	144 627 000
Andre fordringer	4, 14	269 073 000	218 842 000
Konsernfordringer	12, 13, 13	1 442 903 000	1 063 382 000
Sum fordringer		**1 818 882 000**	**1 426 851 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	15	7 225 000	7 688 000
Sum bankinnskudd, kontanter og lignende		**7 225 000**	**7 688 000**
Sum omløpsmidler		**2 332 688 000**	**1 869 197 000**

Balanse

Beløp i: NOK	Note	2018	2017
SUM EIENDELER		**3 032 724 000**	**2 556 747 000**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital			
Innskutt egenkapital			
Selskapskapital	16, 17	112 500 000	112 500 000
Overkurs	17	4 875 000	4 875 000
Sum innskutt egenkapital		**117 375 000**	**117 375 000**
Opptjent egenkapital			
Annen egenkapital	17	2 180 884 000	1 706 129 000
Sum opptjent egenkapital		**2 180 884 000**	**1 706 129 000**
Sum egenkapital		**2 298 259 000**	**1 823 504 000**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	11	31 452 000	43 862 000
Andre avsetninger for forpliktelser	19	250 418 000	220 198 000
Sum avsetninger for forpliktelser		**281 870 000**	**264 061 000**
Annen langsiktig gjeld			
Øvrig langsiktig gjeld		38 000	
Sum annen langsiktig gjeld		**38 000**	
Sum langsiktig gjeld		**281 908 000**	**264 061 000**
Kortsiktig gjeld			
Leverandørgjeld	20	93 935 000	135 925 000
Betalbar skatt	5	150 252 000	123 555 000
Skyldige offentlige avgifter		8 036 000	7 977 000
Kortsiktig konserngjeld	13, 20	33 699 000	9 395 000
Annen kortsiktig gjeld		166 636 000	192 331 000
Sum kortsiktig gjeld		**452 557 000**	**469 183 000**
Sum gjeld		**734 465 000**	**733 244 000**

Balanse

Beløp i: NOK	Note	2018	2017
SUM EGENKAPITAL OG GJELD		**3 032 724 000**	**2 556 747 000**

Deloitte.

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Til generalforsamlingen i GKN Aerospace Norway AS

UAVHENGIG REVISORS BERETNING

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert GKN Aerospace Norway AS' årsregnskap som viser et overskudd på tkr 474 756. Årsregnskapet består av balanse per 31. desember 2018, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noteopplysninger til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening er det medfølgende årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettvisende bilde av selskapets finansielle stilling per 31. desember 2018, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

Som del av en revisjon i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og anslår vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.
- opparbeider vi oss en forståelse av den interne kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på hensiktsmessigheten av ledelsens bruk av fortsatt drift-forutsetningen ved avleggelsen av regnskapet, basert på innhentede revisjonsbevis, og hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i regnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon om årsregnskapet og årsberetningen. Våre konklusjoner er basert på revisjonsbevis innhentet inntil datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke fortsetter driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet representerer de underliggende transaksjonene og hendelsene på en måte som gir et rettvisende bilde.

Vi kommuniserer med dem som har overordnet ansvar for styring og kontroll blant annet om det planlagte omfanget av revisjonen og til hvilken tid revisjonsarbeidet skal utføres. Vi utveksler også informasjon om forhold av betydning som vi har avdekket i løpet av revisjonen, herunder om eventuelle svakheter av betydning i den interne kontrollen.

Uttalelse om andre lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet og forutsetningen om fortsatt drift er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Deloitte.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Drammen, 12. juni 2019
Deloitte AS

Sturle Holseter
statsautorisert revisor

BOARD OF DIRECTORS' REPORT 2018

Overview

GKN Aerospace Norway (the Company) is a manufacturing company that produces jet engine components. The Company is 100% owned by GKN Aerospace Sweden AB.

The Company is located in Kongsberg, Norway.

As the international aerospace market is expanding, the aircraft manufacturers' backlog represents many years of production ahead. The aerospace market is highly competitive and the Company is working on continuous improvements, Industry 4.0 and automation to meet future competition.

The Company production volume in 2018 was at the same level as in 2017. The production is expected to increase slightly in 2019 and in the coming years. In 2018 and over the next few years, there is a transition from legacy programs into new aircraft platforms.

The aerospace business is ramping up heavily and the Company is dependent on keeping and improving good customer relations by focusing on performing on time deliveries.
Long term, cost competitiveness, impeccable quality, leveraging the unique competence and establish a Center of Excellence within the shafts area, in addition to the commercial success of the new platforms where the Company is a supplier, must be achieved.

Results and financial conditions

The annual account for 2018 has been prepared under the assumption of the Company as a going concern.

The Financial statements for the Company has been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and the presented information gives a true and fair view of the Company's assets, liabilities, financial position and result for the financial year.

The total sales revenue for the Company decreased from NOK 2 111 million in 2017 to NOK 1 982 million in 2018. The demand for aero engines regarding our partner programs continued to decrease in 2018.

The operating profit was NOK 628 million in 2018 compared to NOK 704 million in 2017. Net profit after taxes was NOK 475 million versus NOK 608 million in 2017. The main causes for the decrease in profit were reduced engine sales and currency loss. Compared to sales, the operating expenses were slightly higher in 2018.

The distributable reserves are NOK 475 million in 2018. The Board of Directors proposes to transfer the distributable reserves to equity. The total equity amounts to NOK 2 298 million and the equity ratio is 76%.

In 2018, the Company invested NOK 61 million in plant, production machinery and equipment, and no new investments in product development and new engine programs.

The Company's liquidity position is satisfactory and the net cash flow was break even in 2018. The Company is lending to companies in the same group.

The majority of the currency flow is in USD and the functional currency for the Company is USD. The financial need for the Company is secured by loans from the parent company in USD.

The Company has a high currency risk and the expenses in NOK are hedged by entering into long-term forward contracts. The profit before taxes had a negative impact of NOK -29 million in 2018 due to foreign exchange movements, since the Company not use hedge accounting.

GKN Plc, the parent company of GKN Aerospace Sweden AB, has a satisfactory financial position, sufficient to finance long-term investments.

Since the Company's customers are major Original Engine Manufacturers (OEM), the credit risk is considered low.

The Company will continue with considerable internal actions to further reduce working capital and expenses, in order to meet the objectives of the strategic plan. The combination of high raw material prices and the relatively high Norwegian cost level will challenge the Company's competitive position.

Personnel

The Company had 506 highly skilled employees at the end of 2018, compared to 478 in 2017. The distribution was 315 operators and 191 salaried personnel, which is an increase of 28 employees from 2017, and represents 485 full time equivalent employees at the end of 2018. Productivity improvements will be a continuing priority in the coming years.
The Company interacts closely with the employee Unions, to continuously improve the working conditions. Among others, this includes sick leave reductions. The sick leave average was 5,7 % in 2018.

The Company has a high focus on safety by identifying hazards (i.e. potential risks) and applying root cause analysis to mitigate risks. During the year, there were reported 234 hazards, 7 minor incidents and one lost time accident (LTA) after a minor injury.

The working conditions are considered good and efforts to improve health and safety are ongoing.

Environment

GKN Aerospace Norway is an environmentally sound company. The Company is complying with governmental regulations concerning pollution and environmental control. The Company is working systematically with matters concerning the environment, and is certified to the environmental standard ISO 14001, 2015.

The main environmental challenges are related to the production, but with very low risk of accidental pollution to air or water. The Company is utilizing a limited number of hazardous chemicals in its production, but all are according to the Norwegian government's emission permits. The Company is doing its utmost to reduce the impact of this. As part of the Company's environmental strategy, it is a goal to reduce the use of energy, water and hazardous waste, which is executed through improved processes and procedures, and is an ongoing effort. Reduction in energy usage has been achieved through improved ventilation, LED lights and heat recovery projects.

Gender Equality

The Board of Directors has 2 female representatives. 67 out of 506 employees are female, giving a representation of 13, 2 %. 7 out of 44 leaders are female, giving a representation of 15,9 %. The Company has 27 female employees with higher education.

The Company has equal salary policy for female and male employees.
There are no part time positions, but the Company is flexible regarding individual needs.

The Company has a gender equality policy. Due to few female employees, the Company is actively recruiting females when possible. The applicable recruitment base is however small, both for engineers and for operators in particular.

The Company has recruitment and personnel policy intended to ensure equal opportunities and rights, and to prevent discrimination based on ethnicity, disabilities, national origin, ancestry, color, language, religion or belief.

Company development

The Company is and will be in a transition from legacy high volume products into new high volume product ramp ups. This has led to some areas decreasing substantially and personnel working within these areas has been transferred into other areas where capacity need is increasing.

To further mitigate the risks the Company is working to increase rate readiness and to decrease vulnerability of both production and engineer staff, by increasing flexibility and competence.

The Company is working to improve competitiveness by reducing labor resources per produced part, by increased automation and improved process robustness.

Research and Development

The Company continuously aims to improve competiveness by developing and introducing new technology for production processes and systems. The work is largely performed in the existing manufacturing system and is tested out on the shop floor.

The thematic focal areas for R&D within the Company are covered within I4.0, with an emphasis on digitization, data usage, advanced control of manufacturing systems and automation. An I4.0 demonstrator is being developed for the LPT shaft production line, and the work will finish in 2020.

The Company is also involved in the development of the next generation jet engine within the Clean Sky 2 programme, aimed at developing innovative, cutting-edge technology for reducing CO2, gas emissions and noise levels produced by aircraft. The Company gains knowledge regarding future jet engine component designs, as well as taking part in the technology development.

The work is partially funded by The Norwegian Research Council, Skattefunn, Manumet and Horizon 2020.

Prospects for the future

The main issue when it comes to future growth in the industry is currently largely related to the Boeing decision regarding the potential "New Mid-marked Aircraft" (NMA). With a planned Entry Into Service (EIS) in 2025, the development of both aircraft and engine is quickly getting all on the critical path.

An ongoing growth is forecasted, and even though this year GDP growth is expected to slow, the multiplier is back to its 20-year median. That will result in a 2019 Revenue Passenger Kilometers (RPK) growth of around 6% - or same level as last year. Fuel prices have fallen once more and new city-pairs are still being connected at a robust pace, supporting the general trend of strong growth in the regional and single aisles markets.

While a slowdown in freight demand growth was expected following the boost from the inventory restocking cycle in 2017, there are indications that the data from 2018 are reflecting the impact of the increasing headwinds to freight demand from renewed signs of weakness in global trade and economic indicators. The expectation is cargo volumes to increase by 3.7% in 2019, down from 8.8%, the risks to this forecast appear tilted to the downside but does not represent a huge surprise.

Financial markets continue to be uncertain about the prospects for airline earnings, following the fall in oil prices, with swings of airline share prices both up and down in recent months. During January, airline share prices moved up in line with the market.

As crude oil and jet fuel prices have been volatile recently investors are not sure whether that is good or bad for airline earnings. The coming year will be an important test for the sustainability of airline profitability.

In summary, all indicators points at an increased demand to serve the required global capacity. The demand for large aircraft seems to be in a declining trend, whereas the single aisles and regional jets are seeing a continuous increasing demand.

With a limited decline in the growth rates, the importance of being competitive in terms of delivery precision and quality is getting stronger in order to secure orders in the long term.

Kongsberg, 12 June 2019

Joakim Andersson Chairman of the Board	Sophie Mårtensson Member of the Board	Alexander Andersson Member of the Board
Siri Solum Hessen Member of the Board	Leif Simensen Member of the Board	Bent Andersen Member of the Board
Peter Hjortsberg Member of the Board/General Manager		

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INCOME STATEMENT

GKN AEROSPACE NORWAY AS

	Note	2018	2017
OPERATING REVENUES			
Sales revenue	2, 20	1 981 728	2 110 848
Other operating revenues		697	302
Total operating revenues		**1 982 425**	**2 111 151**
OPERATING EXPENSES			
Use of raw materials and semi-manufactured products	8, 20	613 603	715 813
Wages, salaries and social welfare costs	3, 11	412 774	407 506
Depreciation	6, 7	53 457	53 753
Other operating expenses	3, 4, 20	274 224	230 147
Total operating expenses		**1 354 058**	**1 407 218**
Operating profit		**628 367**	**703 932**
FINANCIAL INCOME AND EXPENSES			
Other financial income		776	650
Other interest income		125	42
Currency loss/gain	19	-29 455	91 964
Interest recevied from group companies	20	19 362	5 513
Other net interest expenses		374	306
Result from financial income and expenses		**-9 565**	**97 863**
Profit and loss before taxes		**618 802**	**801 795**
Tax on ordinary result	5	144 047	193 869
NET PROFIT FOR THE YEAR		**474 756**	**607 926**
APPLICATION OF NET PROFIT FOR THE YEAR			
Allocated to other equity	17	474 756	607 926
Total		**474 756**	**607 926**

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Balance sheet

GKN AEROSPACE NORWAY AS

Assets	Note	2018	2017
FIXED ASSETS			
Intangible fixed assets			
Capitalized development costs	6	216 524	228 563
Capitalized startup costs	6	49	49
Capitalized entry fee costs	6	93 327	98 429
Deferred tax	5	38 763	32 525
Total intangible fixed assets		**348 662**	**359 565**
Tangible fixed assets			
Land	7	1 301	1 301
Buildings	7	38 639	38 820
Machinery, furniture, equipment	7	311 434	286 516
Total tangible fixed assets		**351 375**	**326 636**
Finacial fixed assets			
Other long-term receivables	10	0	1 348
Total financial fixed assets		**0**	**1 348**
TOTAL FIXED ASSETS		**700 037**	**687 550**
CURRENT ASSETS			
Inventories	8	506 581	434 658
Receivables			
Customer receivables	12	106 906	144 627
Group trade receivable	12, 13	272 785	276 412
Other current receivables	4, 14	269 073	218 842
Other receivables to group companies	13	1 170 118	786 970
Total receivables		**1 818 882**	**1 426 851**
Bank deposits	15	7 225	7 688
TOTAL CURRENT ASSETS		**2 332 688**	**1 869 197**
TOTAL ASSETS		**3 032 724**	**2 556 747**

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Balance sheet

GKN AEROSPACE NORWAY AS

EQUITY AND LIABILITIES	Note	2018	2017
EQUITY			
Restricted equity			
Share capital	16, 17	112 500	112 500
Share premium reserve	17	4 875	4 875
Total restricted equity		**117 375**	**117 375**
Retained earings			
Other equity	17	2 180 884	1 706 129
Total retained earnings		**2 180 884**	**1 706 129**
Total equtiy		**2 298 259**	**1 823 504**
LIABILITIES			
Provisions			
Pension liabilities	11	31 452	43 862
Other provisions	19	250 418	220 198
Total provisions		**281 870**	**264 061**
Long-term liabilities			
Other long-term liabilities		38	0
Total long-term liabilities		**38**	**0**
Short-term liabilities			
Trade creditors	20	93 935	135 925
Group trade creditors	13, 20	33 699	9 395
Tax payable	5	150 252	123 555
Public duties payable		8 036	7 977
Other shrot-term liabilities		91 260	89 808
Advance from customer		75 376	102 524
Total short-term liabilities		**452 557**	**469 183**
TOTAL LIABILITIES		**734 465**	**733 244**
TOTAL EQUITY AND LIABILITEIS		**3 032 724**	**2 556 747**

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Balance sheet

GKN AEROSPACE NORWAY AS

12.06.2019

The board of GKN AEROSPACE NORWAY AS

Joakim Andersson
Chairman of the board

Sophie Mårtensson
Member of the board

Alexander Andersson
Member of the board

Siri Solum Hessen
Member of the board

Leif Simensen
Member of the board

Bent Andersen
Member of the board

Peter Hjortsberg
Member of the board/General Manager

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GKN AEROSPACE NORWAY AS

CASH FLOW STATEMENT FOR THE PERIOD 1 JANUARY - 31 DECEMBER

		Note	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before taxes			618 802	801 795
Depreciation		6,7	53 457	53 753
Profit on fixed asset disposals		7	(367)	0
Taxes		5	(123 555)	(152 672)
Change in inventories, customer receivables and payable to suppliers		8, 12, 13	(48 261)	29 531
Change in other accrued income and accrued expenses			(56 704)	(254 642)
Net cash flow from operating activities	A		**443 372**	**477 765**
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in tangible fixed assets		7	(61 261)	(48 355)
Sale of tangible fixed assets		7	574	0
Investments in intangible fixed assets			0	0
Net cash flow from investing activities	B		**(60 687)**	**(48 355)**
CASH FLOW FROM FINANCING ACTIVITIES				
Loan to group		13	(383 149)	(427.592)
Issue of new debt			0	0
Net cash flow from financing activities	C		**(383 149)**	**(427 592)**
Net cash flow for the year	A+B+C		(464)	1 818
Bank deposits at 1. January			7 688	5 870
BANK DEPOSITS AT 31. DECEMBER			**7 225**	**7 688**

GKN AEROSPACE NORWAY AS

NOTES TO THE ACCOUNTS ON 31 DECEMBER 2018
(All amounts in NOK thousand unless specified with decimals)

NOTE 1 - ACCOUNTING PRINCIPLES
The annual accounts are drawn up in compliance with the Norwegian Accounting Act of 1998 and prepared in accordance with accepted Norwegian accounting standards.

Use of estimates
The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Main principle for valuation and classification of assets and liabilities
Fixed assets are valued at purchase cost, but written-down to market value when a value reduction is not expected to be temporary. Fixed assets with a limited economic lifetime are depreciated as planned. Long-term liabilities are recorded in the balance sheet at the nominal amount at the date of establishment. Long-term liabilities are not revalued at actual value as a result of changes in interest rate.

Current assets are valued at the lowest of purchase cost and actual value. Current liabilities are recorded on the balance sheet as the nominal amount at the establishment date. Current liabilities are not revalued at actual value as a result of changes in interest rate.

Assets and liabilities in foreign currencies
Current assets and liabilities in foreign currencies are translated into Norwegian kroner (NOK) at the exchange rate on the balance date.

Forward contracts and options
The Company's cash flows are secured through forward foreign currency contracts. These are measured at fair value through the income statement under financial expenses in accordance with NRS 18 Financial assets and liabilities. Hedge accounting is not applied.

Intangible fixed assets
The Company's own technology projects of permanent nature are capitalized and amortized according to the project's useful life time, while projects of non-permanent nature are charged against operating income.

The Company's share of entry fee and purchased development costs for the engine programs are capitalized in the balance sheet. The entry fee and purchased development costs are amortized on a straight line basis over the estimated sales period for these engine programs, or over a maximum period of 25 years.

In addition, the Company capitalizes start-up costs in connection with these engine programs. Start-up expenses are costs related to design and tooling. The costs for design are capitalized as development costs and the costs for tooling are capitalized as tangible assets. The costs are amortized on a straight line basis over the estimated useful lifetime.

Tangible fixed assets
Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule. The impact of changes in the depreciation schedule are carried out over the remaining amortization period. Expenditures for maintenance and repairs are expended as incurred. Major replacements and renewals are capitalized and any assets replaced are retired.

The annual rent for non-financial assets are charged as expenses.

Shares and holdings in affiliated companies
Investments in affiliated companies are carried at cost. A write-down to fair value will be performed if the impairment is not considered to be temporary, and an impairment charge is deemed necessary according to generally accepted accounting principles. Received dividends and group contributions are recognized as other financial income.

Inventories
Inventories comprise purchased and own-manufactured goods, and are valued at the lower of historical purchase or production cost and estimated net realizable value. Historical production cost consists of direct materials, direct wages and variable and fixed production overheads. Deductions have been made for obsolescence.

Customer receivables
Customer receivables and other receivables are recorded in the balance sheet after deduction of provisions to cover anticipated losses. Provisions for losses are based on an individual valuation of each receivable.

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Revenue
Revenue comprises sales revenue from goods delivered and services performed during the year. Income from sales of goods is recorded at time of delivery. Income from services is recorded as they are performed.

Pensions
In accordance with Norwegian law, the Company is obliged to keep a pension scheme. The Company's scheme fulfills these requirements. The pension agreements are accounted in accordance with the Norwegian accounting standard for pension costs.

The Company has three different types of pension schemes.

Define contribution plan
From 1 December 2009 the Company introduced a defined contribution pension scheme for all employees. With a defined contribution plan the Company pays contributions to an insurance company. After the contribution has been made the Company has no further commitment to pay. The contribution is recognized as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Defined benefit plan
In connection with the transition in 2009 to defined contribution plan was disability remain in a defined benefit scheme. According to Norwegion Pensions Act the Company has changed this scheme into a define contribution scheme from 01.01.2017 .

Employees with salaries exceeding 12G, has a defined benefit pension in addition to the contribution scheme. This has been terminated 31.12.2018
People who were disabled at the time of transition to the defined contribution plan is still in a benefit plan is a pension.

A defined benefit plan is a pension scheme which defines a pension payment which an employee will receive at pension age. The pension payments are normally dependent on one or more factors such as age, number of years in the company, and salary. The commitment relating to the defined benefit plan on the balance sheet is the present value of the defined benefits at the balance sheet date less fair value of the pension funds (amount paid to an insurance company), adjusted for estimate differences and expenses relating to former period's pension earnings not recognised in the income statement. The pension commitments are calculated annually by an independent actuary on a straight-line earning profile basis.
Changes to the pension plan are expensed over the expected remaining earning period.

AFP
The Company also has a pension plan that entitles the employees life-long benefits in addition to other plans. The benefits are financed through a collective agreement (LO/NHO). The plan is a defined plan with limited funding and where plan assets are not segregated. The information required calculating a proportional share of the plan and account for the plan as a defined benefit plan is not available from the plan administrator. The Company therefore accounts for the plan as if it were a defined contribution plan. Payroll tax is included in DBO.

Taxes
Taxes are charged to expenses as they arise. This means, tax expenses are related to operating result before taxes. Tax relating to equity transactions, for example corporate contributions, is entered against equity.

The income tax expense comprises taxes payable (tax on current year taxable income) and changes in net deferred tax. Tax expense is charged between ordinary results and results of extraordinary items, in accordance with the tax basis. Deferred tax and deferred tax assets are presented as net in the balance sheet.

From the fiscal year 2018 the income tax rate for calculation of current tax is 23%. Calculation of deferred tax at year-end 2018 is based on a tax rate of 22% due to changes in Norwegian tax legislation which takes effect as from 2019.

Public subsidies and grants
Operating cost subsidies are recorded in the same period as the related costs, but only when it is probable that the conditions for receipt of the subsidies are or will be fulfilled. Investment grants are recorded net as a reduction of the related assets cost.

Contract loss provision
The Company accrues provisions for expected losses on active contracts. Such losses are included in, respectively, other current and long-term liabilities in the balance sheet, and are recorded as ordinary operating expenses in the income statement.

Impairments of tangible and intangible assets
Impairment testing is carried out as required provided indications that a tangible or an intangible asset has declined in value. The testing is carried out to determine any impairment through calculation of asset's recovery value. If the calculated recovery value is less than the carrying value, a write down is made to the asset's carrying value.

Affiliated businesses transactions
As part of its normal business, a significant number of the Company's transactions are with affiliated businesses according with the arm's-length principle.

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

NOTE 2 - SALES REVENUE

Product area	2018	2017
Exhaust housing	723 418	668 339
Case and Ring	625 472	727 703
Shaft	158 500	172 281
Guide vanes	387 075	430 806
Others	87 262	111 719
Total	**1 981 727**	**2 110 848**

Geographic distribution	2018	2017
USA	113 130	121 924
France	1 183 694	1 391 833
Sweden	667 208	584 700
Korea	0	0
China	0	2 133
Lithuania	0	0
Norway	13 372	10 035
Belgia	0	110
United Kingdom	0	115
Japan	4 324	0
Total	**1 981 728**	**2 110 848**

NOTE 3 - WAGES EXPENSES

Wages, salaries and social welfare costs	2018	2017
Wages and salaries	323 961	317 219
Social security payments	50 140	49 101
Pension costs	21 406	23 119
Other contributions	17 267	18 067
Total	**412 774**	**407 506**

Average number of man-labor years	508	479

Remunerations to President and Board of directors	President	Board
Remuneration	1 755	159
Pension contributions	61	0
Other remuneration	343	0

The table reflect the remunuration for the new company President.

The previous President held a variable salary agreement for obtained results in GKN Aerospace Norway and GKN Aerospace Engine Systems. The grand total for the fiscal year 2018 is TNOK 280. In addition he had a shareholder agreement and sold his shares in the ultimate parent, GKN PLC, and gained TNOK 833.

Auditor	2018	2017
The expensed fees to the Company's auditor consist of the following (VAT excluded):		
Statutory audit	875	927
Fees for tax services	202	106
Total fee to the auditor	**1 077**	**1 033**

NOTE 4 – PUBLIC SUBSIDIES AND GRANTS

The Company received in 2018 TNOK 530 from "Skattefunn" and TNOK 6 463 from Norsk Forskingsråd. These grants are funding research and development projects to increase the efficiency of the manufactoring processes.

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NOTE 5 – TAXES

Tax expenses for current year	2018	2017
Taxes payable on year's result	(150 252)	(123 555)
Taxes from prior year, not paid	(32)	(3)
Total tax payable	**(150 285)**	**(123 558)**
Changes in deferred tax (asset) liability	6 238	(70 311)
Total tax expenses for current year	**(144 047)**	**(193 869)**

Tax payable for current year	2018	2017
Ordinary result before tax cost	618 802	801 795
Permanent differences	(313)	88
Changes in temporary differences	19 623	(18 932)
Adjustment forward contracts, see note 17 for further explantation	15 159	(268 140)
Basis taxes payable	653 271	514 811
Tax 23% (24%)	150 252	123 555
Taxes from prior year, not paid	0	0
Penalty tax on tax prior year	0	0
Tax payable in the balance sheet	**150 252**	**123 555**

Specification and basis for deferred tax:	2018	2017
Fixed assets	78 836	74 568
Current assets	(362)	11 381
Liabilities	(26 623)	(14 475)
Forward contracts	(228 046)	(212 887)
Basis deferred tax	(176 196)	(141 413)
Tax 22%/(23%)	(38 763)	(32 525)
Total deferred tax (asset) liability	**(38 763)**	**(32 525)**

NOTE 6 – INTANGIBLE FIXED ASSETS

	Entry fee	Development	Start-up costs	Total
Purchase cost 01.01.	132 658	542 905	159 838	835 402
Additions	0	0	0	0
Purchase costs 31.12.	**132 658**	**542 905**	**159 838**	**835 402**
Acc. Depreciations 01.01.	34 228	314 343	159 791	508 362
Acc. Depreciations 31.12.	39 330	326 382	159 791	525 503
Balance sheet value 31.12.	**93 327**	**216 524**	**49**	**309 899**
Current year depreciations	5 102	12 039	0	17 141
Economic lifetime	10-25 years	10-25 years	5-25 years	
Depreciation plan	Straight line	Straight line	Straight line	

The intangible fixed assets are costs for participation in the engine programs GEnx, GE90 and CFM56 7BE, of which GEnx makes up the lion part. The amortization period for the GEnx program started in 2010.

NOTE 7 – TANGIBLE FIXED ASSETS

	Land	Properties	Machinery and plants	Movables, Furniture, Tools	Total
Purchase cost 01.01.	1 301	67 880	823 340	136 091	1 028 613
Additions purchased assets	0	660	54 846	5 755	61 261
Purchase cost 31.12.	**1 301**	**68 541**	**866 886**	**141 847**	**1 078 575**
Acc. depreciations and write-downs 01.01.	0	29 061	566 565	95 281	690 907
Disposal	0	0	-23	0	-23
Reclassification	0	0	0	0	0
Acc. depreciations and write-downs 31.12.	**0**	**29 901**	**596 595**	**100 704**	**727 201**
Balance sheet value as of 31.12.	**1 301**	**38 639**	**270 291**	**41 142**	**351 375**
Current year depreciations	0	841	30 052	5 423	36 316
Economic lifetime	-	30-50 years	15 years	3-15 years	
Depreciation plan	-	Straight line	Straight line	Straight line	

Annual rent of non-financial assets	Land	Properties	Machinery and plants	Movables, Furniture, Tools	Total
Annual rent of non-reported assets in balance sheet	0	17 050	255	357	17 663
Rental period		2019-2028		2018-2021	

NOTE 8 – INVENTORIES

	2018	2017
Raw materials	103 388	83 834
Work in progress	249 076	225 291
Finished goods (purchased)	21 384	10 508
Finished goods (manufactured)	132 732	115 025
Total	506 581	434 658
Inventories carried at acquisition cost	427 527	380 055
Inventories carried at net realizable value	79 054	54 603
Total	506 581	434 658
Inventories have been deducted for obsoleteness with	(74 941)	(50 706)

NOTE 9 - SHARES

GKN Aerospace Norway AS owns shares in the following:

	Ownership	Currency	Total share capital	Number of shares	Nominal value	Book value
Kongsberg Terotech AS	50 %	NOK	500	2500	250	0
Kongsberg Technology Training Centre AS	33 %	NOK	3000	1000	1000	0

NOTE 10 – OTHER-LONG-TERM RECEIVABLES

	2018	2017
Loans to employees	0	1 348
Total	0	1 348

Long- term loans which fall due later than one year	**2018**	**2017**
Long- term loans employees	0	482

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NOTE 11 – PENSIONS

The Company has three different types pension scheme.
The defined contribution plan organized in according with Norwegian legislation on defined contribution pensions, and covers 490 persons. Employees with salary over 12 G also have a pension defined benefit plan in addition to the collective defined contribution scheme . This contract is terminated pr 31.12. 2018 and has no liability left. The additional pension scheme is financed from the company's operations. The defined-contribution scheme is expensed on an ongoing basis.

With the transition in 2009 to defined contribution plan was disability remain in a defined benefit scheme. This scheme ceases from 31.12. 2016 and from 01.01.2017 it has been be treated as a defined contribution plan. People who were disabled at the time of transition to the defined contribution scheme stayes in the defined benefit plan.

The Company also has a pension plan that entitles the employees life-long benefits in addition to other plans. The benefits are financed through a collective agreement (LO/NHO). The plan is a defined plan with limited funding and where plan assets are not segregated. The information required calculating a proportional share of the plan and account for the plan as a defined benefit plan is not available from the plan administrator. The Company therefore accounts for the plan as if it were a defined contribution plan.

The Company fulfilled the demand for compulsory pension plan during the year.

Calculation of future pension obligations is based on the following assumptions:

	2018	2017		2018	2017
Discount rate	2,7 %	2,3 %	Salary regulation	2,0 %	2,0 %
Expected return	2,7 %	2,3 %	Inflation/G regulation	2,0 %	2,0 %
			Pension regulation	0,4 %	0,4 %

Pension calculation cost (income) for 2018 is based on the following	**Unsecured**	**Unsecured**
Service cost	639	269
Interest cost on accumulated pension obligations	40	27
Net pension costs (income)	**680**	**296**

Net pension obligation on 31.12		
Defined Benefit Obligation on 31.12	3 180	14 121
Fair value of assets on 31.12	(3 235)	(12 375)
Early Retirement Scheme	31 507	42 117
Total balance sheet value of net pension obligations on 31.12	**31 452**	**43 862**
Payroll tax included in DBO :	(87)	(249)
The costs of defined contribution schemes were	**17 191**	**16 791**

NOTE 12 – CUSTOMER RECEIVABLES

	2018	2017
Customer receivables	106 906	144 627
Group customer receivables	272 785	276 412
Total	**379 691**	**421 039**

NOTE 13 – INTERCOMPANY ACCOUNTS

Assets	**2018**	**2017**
Customer receivables	272 785	276 412
Other receivables - Cash Pool	1 170 118	786 970
Total asset	**1 442 902**	**1 063 382**

Liabilities	**2018**	**2017**
Group trade creditors	33 699	9 395
Total liabilities	**33 699**	**9 395**

NOTE 14 – OTHER CURRENT RECEIVABLES

	2018	2017
V.A.T	6 134	5 338
Prepaid expenses	24 875	7 950
Other receivables	238 065	205 553
Total	**269 074**	**218 842**

NOTE 15 – BANK DEPOSITS

	2018	2017
Liquid assets as of 31 December 2018 include no restricted finds. In connection with withholding employee taxes the Company has a bank guarantee of :	25 000	25 000

NOTE 16 – SHARE CAPITAL

The Company share capital comprises 112 500 shares at NOK 1,000 each and the owners have one vote per share. The shares are owned as follows:

	2018	2017
GKN Aerospace Sweden AB	112 500	112 500
Total	**112 500**	**112 500**

The parent company for GKN Aerospace Norway AS is GKN Aerospace Sweden AB, Trollhättan, Sweden. The consolidated accounts for GKN Group can be inquired from GKN Lmt (Birmingham, UK).The ultimate companie is Melrose Industries Plc(UK).

NOTE 17 - EQUITY

	Share capital	Share premium reserve	Other equity	Total
Equity 01.01.2018 as previously reported	112 500	4 875	1 706 129	1 823 504
Profit and loss of the year	0	0	474 756	474 756
Equity 31.12.2018	**112 500**	**4 875**	**2 180 884**	**2 298 259**

NOTE 18 - CONTRACTUAL OBLIGATIONS

The signed contractual obligations reflect committed future purchases for the period 2018-2019.

	2018	2017
Material and semi-manufactured products	62 422	35 593
Investments	83 218	20 302

NOTE 19 - FORWARD CONTRACTS

The Company has entered into forward contracts of a total value of MNOK 2 388,5 and the unrealized currency gain/loss is det difference between the forward exchange rate and the fair value.

Period until due date	Currency	Amount	Forward rate	Closing rate	Change in value for 2018 in NOK	Change in value for 2017 in NOK
2019 - 2024	NOK	2 388 500	7,7107	8,6522	-15 159	228 046

NOTE 20 – TRANSACTIONS WITH RELATED PARTIES

Related parties:

Melrose Industries Plc	Ultimate parent Company
GKN Holding Lmt (GKN)	Parent Company
GKN Aerospace Sweden AB (GAS)	Parent Company
GKN Aerospace Newington (GANE)	Sister Company
GKN Aerospace Services LTD (GKN A.Serv.)	Sister Company
GKN Group Services LTD (GKN Gr.Serv.)	Sister Company
GKN Aerospace Manchester inc	Sister Company
GKN Aerospace India	Sister Company
Kongsberg Terotech AS (KTT)	Owner's share 50 %

Different transactions have been made during the year between the related parties. All transactions are carried out as part of the normal business and at arm's length principle. The most significant transactions are:

	2018	2017
Sale of goods and services to GAS	675 439	584 700
Purchase of raw materials from GAS, India, Manchester and GANE	187 205	122 277
Purchase of IT services and common costs from GAS	34 127	10 075
Purchase of freight services from GKN Freight	0	0
Purchase of maintenance services from KTT	35 037	48 029
Net Intrest recevable /loan GKN	19 362	5 491

Remuneration of senior management is shown in Note 3 and balances with companies in the GKN Group are described in note 13.

The trade creditors to KTT were MNOK 1 000 at 31. December 2018 and intercompany accounts are shown in note 13.

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	29.01.2015	02.02.2015
Telefon	Deres referanse	Vår referanse
22078139	SBR	2014/665525

PriceWaterhouseCoopers AS
Postboks 748
0106 Oslo

04 FEB. 2015

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for GKN Aerospace Norway AS, org. nr. 943 771 030

Vi viser til deres brev av 29. januar 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for GKN Aerospace Norway AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering GKN Aerospace Norway AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
GKN Aerospace Norway AS er direkte eiet av det svenske selskapet GKN Aerospace Sweden AB, og den ultimate eieren av hele konsernet er det engelske selskapet GKN Plc. Selskapet produserer flymotorkomponenter. Selskapet opererer i en internasjonal bransje, hvor kunder og leverandører i all hovedsak er utenlandske. I forbindelse med prosjektene i utlandet foregår all kommunikasjon på engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

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

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

> *"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som*

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60

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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er datterselskap til et utenlandsk selskap. Eierkretsen er begrenset. Selskapet opererer i en internasjonal bransje. I forbindelse med prosjektene i utlandet foregår all kommunikasjon på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer

Deloitte.

Deloitte AS
Erik Børresens allé 2
Postboks 2013 Strømsø
NO-3003 Drammen
Norway

Tel: +47 32 26 41 00
www.deloitte.no

To the General Meeting of GKN Aerospace Norway AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of GKN Aerospace Norway AS showing a profit of tNOK 474 756. The financial statements comprise the balance sheet as at 31 December 2018, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, 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.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

Deloitte.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Drammen, 12 June 2019
Deloitte AS

Sturle Holseter
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.