Growing Responsibly

John Menzies plc
Annual Report and Accounts 2021

John Menzies plc

INTRODUCTION FROM OUR CHAIRMAN & CEO

Welcome to our year in review. I am delighted to report a strong set of results for 2021, despite the continuing impact of Covid on aviation activity levels.

The rebalancing of our business as a major aviation logistics player continues at pace. We have seen significant growth in our air cargo business, while our fuel and ground services businesses go from strength to strength.

Our strong results and the successful implementation of our strategy would not be possible without the hard work of the Menzies team. I would like to thank every member of the Menzies team for their continued hard work and dedication.

Philipp Joeinig, Chairman & CEO
8 March 2022

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Growing safely, efficiently, sustainably.

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FINANCIAL HIGHLIGHTS

Revenue

$1.35bn

Underlying operating profit

$76m

Profit before tax

$30m

View more online

Our investor centre gives you direct access to information about John Menzies plc:

menziesaviation.com/investor-centre/

Revenue

+27%

Ground and fuel services flight volumes year on year

+28%

OPERATIONAL AND STRATEGIC HIGHLIGHTS

- Commenced ground services operations in Baghdad, Iraq.
- Acquisition of Royal Airport Services completed in January 2021, delivering ground and air cargo services at eight locations across Pakistan.
- Five year contract signed with Wizz Air at their main hub in Budapest.
- Significant air cargo contracts with Qatar Airways at 18 locations globally.
- Outsourcing gains from Qantas across Australia.

Chairman and CEO's Statement

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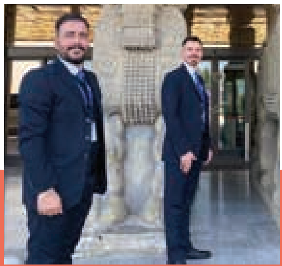
Optimising the business

Read more on page 22

Winning new contracts



Read more on page 24

Enabling safety and efficiency

Read more on page 26

We keep the aviation industry moving with our time-critical aviation services. Operating air cargo, fuel and ground services in 212 airports in 38 countries, our ambition is to be the undisputed number one partner in our industry. To achieve this we must carry out every single operation safely, securely and efficiently. Menzies Aviation manages its operating locations in three regional segments: Americas, EMEA and Rest of World.

TOP 10 CUSTOMERS BY REVENUE

AIRFRANCE KLM
American Airlines
CATHAY PACIFIC
easyJet
FRONTIER AIRLINES
IAG INTERNATIONAL AIRLINES GROUP
norwegian
QANTAS
QATAR AIRWAYS القطرية
UNITED

MENZIES AVIATION OPERATING LOCATION REVENUE BY REGIONAL SEGMENT

Americas
43%

OUR VALUES

Living our values every day is what enables us to achieve our ambition and deliver our purpose. Together we are playing a leading role in shaping the future of aviation.

Read more page 46
People and Culture

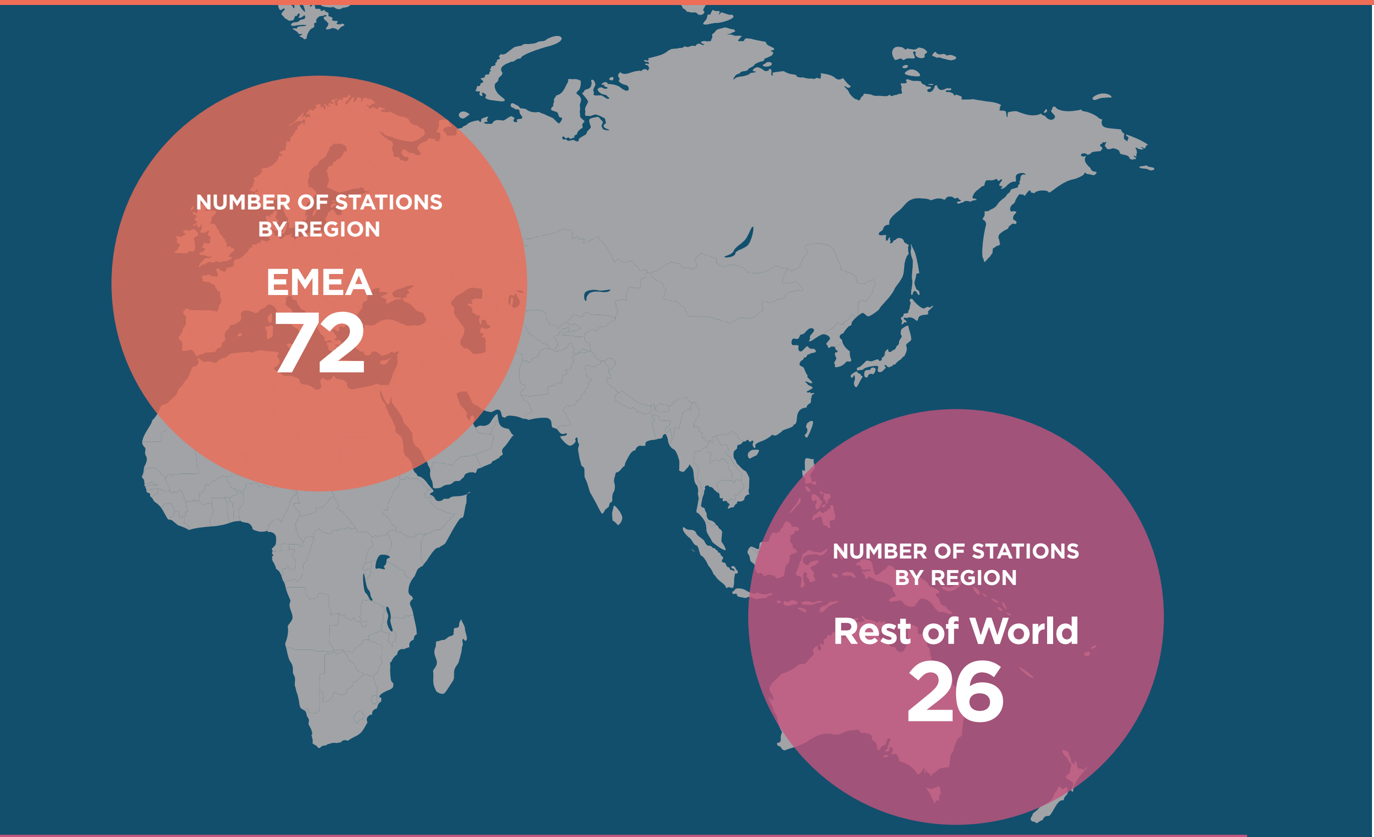
Safety & Security
Safety & Security always comes first, that's why we never compromise.

Teamwork
Building relationships with those around us makes us all stronger and more successful.

Integrity
We're open and honest in all we say and do, creating trust, and growing our reputation for high standards.

Agility
Every day is different; we have the energy and expertise to respond successfully to any situation.

Customer Focus
We deliver the best service for our customers and create relationships built on trust.



EMEA
42%

Rest of World
15%

Ground services

We provide front-line airport services, both above and below wing, ensuring passengers and aircraft complete journeys efficiently and on schedule. Our services include welcoming and serving passengers at check-in and baggage drops, sorting, loading and unloading baggage, ramp handling services, de-icing aircraft in icy conditions and cleaning cabins ready for the next flight. Every passenger journey can have multiple seen and unseen interactions with Menzies and we always do our best to deliver safe and trusted service and a world-class passenger experience.

> **Read more page 12**

614k

aircraft turns 2021

Fuel services

We provide into-plane fuel services and fuel farm management to airlines, airports, oil companies and other partners across the world. Managing the refuelling of aircraft and the infrastructure required to support this service, is a precision activity which must operate to exacting government and industry standards, including safety and environmental regulations.

Read more page 12

27bn

litres fuelled 2021

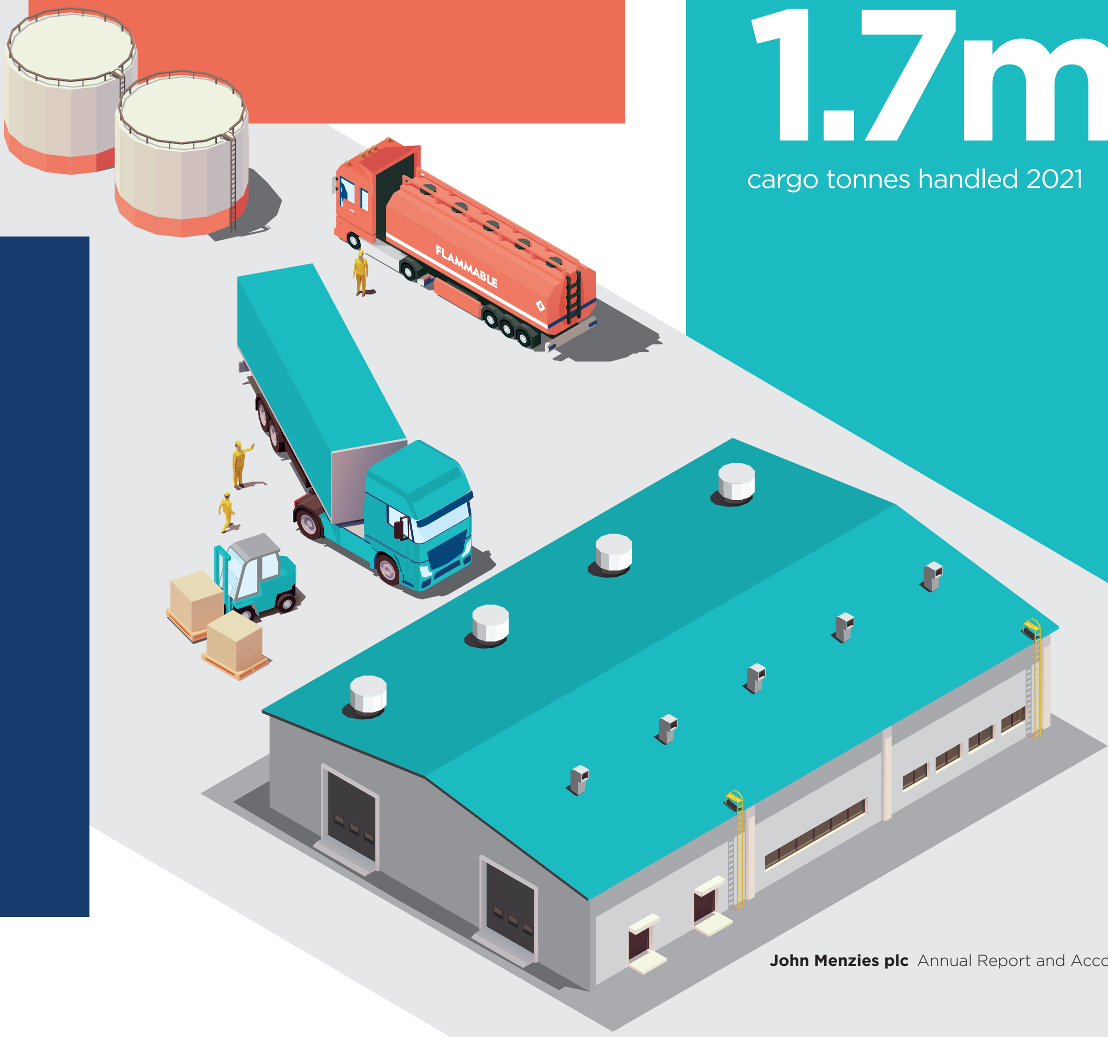
Air Cargo services

Air cargo travels the world every day either in dedicated freighter aircraft or in the holds of passenger aircraft. We provide an important role in this vital part of global logistics. We support our airline customers with reliable, safe, secure and timely handling of their cargo. These shipments tend to be high value and/or time critical. Our role involves the acceptance, security screening, build up, breakdown and delivery of the cargo at the airport.

Read more page 12

1.7m

cargo tonnes handled 2021



Growing responsibly and sustainably

Our people are at the heart of our growth and success. I am proud of how the Menzies team has continued to deliver great service for our customers while upholding our number one priority – safety.

Despite the continued impact of the Covid pandemic, we had a strong year of growth thanks to our focused leadership team and clear strategic direction.

We have seen a more sustained recovery in our markets through the second half of the year, with a gradual rebound in flight volumes, driven by increased cargo demand and high regional traffic, particularly in the Americas region and the emerging aviation markets. We expect to see this recovery continue through 2022, particularly in the European market, which saw further Covid-related disruption to air travel in 2021.

Growth Strategy

We remain resolutely focused on growing responsibly, protecting the planet, supporting our people and creating a fairer future. During the year, we made clear progress on delivering our five strategic priorities and we are ready to accelerate in 2022.

We entered new markets, deepened relationships with existing customers, invested in growing our business and provided development opportunities for our people. Through a combination of continuing delivery on these strategic priorities, together with the normalisation of air traffic activity, we believe that the business has the potential to generate sustainable revenues in excess of $2bn that would further cement Menzies' position as a leader in the aviation services market. Menzies is on an upward trajectory and I am very confident about our future.

Optimise Portfolio Growth

Our portfolio mix has changed with new business wins in air cargo services providing strong returns in a market that has performed well throughout the crisis. I am pleased to report record annual cargo volumes at 1.7 million tonnes, a substantial increase on the prior year. We remain the largest independent aviation fuel services provider in the world and one of the biggest ground services providers.

2021 revenue

$1,353m

+27% on 2020

Underlying operating margin

5.6%

+7.8% on 2020

Targeted Growth
New business wins and market entries resulted in significant growth. We made gains in emerging aviation markets throughout 2021 with expansion into China, Costa Rica, El Salvador, and Guatemala. First time operations also commenced in Iraq and Pakistan during the year. We now operate at 212 airports in 38 countries and have a compelling pipeline of opportunities where we expect stronger recovery and higher margins.

Margin Improvement
Structural improvement in the Group's underlying operating margin has been achieved through cost actions, inorganic and organic growth and active portfolio management across the existing business. Our leaner, more focused business is ready to support growing revenue, and we intend to continue improving our underlying operating profit margin.

Customer Orientated
We are trusted by our customers to deliver safe and secure time-critical services every time. Throughout 2021, we have deepened relationships with existing customers and fostered new partnerships in all regions. We have benefited from airlines outsourcing their handling, particularly in Latin America and Australia, and strive to collaborate with customers to find effective and cost-efficient solutions.

People Centric
Our values guide our actions and describe who we are as a business. They help create a culture that everyone wants to be part of. We are committed to promoting diversity, providing development opportunities and being a great place to work for our 27,000 employees. We believe that everyone at Menzies has a role to play in delivering our growth strategy and being part of our success.

Fair, Sustainable and Profitable Future
In 2021, we focused on making positive changes to enhance our Environmental, Social and Governance impact to advance our goal of becoming carbon neutral by our 200th anniversary in 2033. We are a proud signatory of the UN Global Compact and have committed to setting science based targets.

Making a positive difference in a changing world is of vital importance and one we take seriously.

I am confident that flight volumes will rebound further during 2022. However, the world has changed, and aviation is entering a new normal that will see a change in passenger mix, with less business and more leisure travel. Menzies is well placed to take advantage of this new normal and to accelerate our growth, both responsibly and sustainably, through 2022 and beyond.

Finally, I would like to thank our customers, our suppliers and the Menzies team around the world who have given us the foundations on which to build strong profitable growth.

Philipp Joeinig
Chairman & CEO
8 March 2022

Responding to market opportunities

We maximised market opportunities during 2021 in what continued to be a challenging environment for the aviation industry.

GLOBAL AND INDUSTRY MARKET TRENDS

Air Cargo Services
We manage the global transportation of high value and time critical air cargo. Decades of experience, supported by cost-effective and smart logistics solutions, means we are trusted to provide a reliable and secure service. Our global air cargo services network has continued to expand with 58 distribution centres and depots.

Although there have been regional variances in air cargo demand, the overall picture of the market is one of growth which has translated into record volumes. Our firm focus on growing our air cargo services business alongside the buoyant market has seen annual volumes of cargo handled across our network rise from 1.5 million tonnes pre-pandemic to 1.7 million tonnes in 2021. We intend to build on this growth and have a number of opportunities being executed in both our air cargo handling business and our freight forwarding business, AMI.

E-commerce growth driven by Covid lockdowns, and airlines transporting cargo in the cabin instead of passengers, are two key drivers of the air cargo market boom. While we are expecting cargo volumes to readjust once passenger volumes increase, the market is predicted to continue its growth trajectory as airlines and airports realise the commercial potential in cargo.

The sector is paying more attention to new technologies to create efficiencies and we are firmly embracing the change. We launched our Innovation Space at Heathrow Airport to test new technologies before we invest and roll it out across our global network.

Fuel Services
We are the world's largest independent aviation fuel services provider and are experts in fuel storage management and into-plane fuelling services for oil companies, airports, and airlines at many of the world's largest airports. We fuel 200 aircraft every hour of every day and manage fuel storage facilities and hydrant distribution systems at 56 sites around the world.

As with all segments of the aviation industry, the pandemic has continued to have an impact on our fuel business. This has varied across our network with into-plane fuelling volumes being affected in the short-term due to fluctuating flight volumes, while our fuel farm management services have operated broadly as usual to ensure they are managed and maintained to the highest standards.

"The sector is paying more attention to new technologies to create efficiencies and we are firmly embracing the change."

GLOBAL AND INDUSTRY STATISTICS

Scheduled passenger numbers (millions)

2022F	3.4
2021E	2.3
2020	1.8
2019	4.5

Freight tonnes (millions)

2022F	69
2021E	66
2020	56
2019	61

Fuel consumption (billion gallons)

2022F	70
2021E	57
2020	52
2019	95

Flights (millions)

2022F	26
2021E	19
2020	17
2019	39

Source: IATA Fact Sheet, October 2021
www.iata.org

We are actively pursuing commercial opportunities in existing and new markets where we see high fuel prices and slow economic recovery creating more opportunities for both fuel infrastructure management and into plane-fuelling.

Innovative approaches to aviation fuels have a vital role to play in tackling climate change and we are proud to be working closely with our partners as we move forward to decarbonise operations.

Ground Services
We provide ground services in 149 airports across 38 countries. Every passenger journey has multiple seen and unseen interactions with our teams, who provide a range of services including the safe loading and unloading of baggage and cargo, checking in and boarding of passengers, cleaning aircraft cabins and de-icing aircraft in the colder months. Our industry leading approach to safety and compliance is backed up by our rigorous training and development programmes for our frontline teams.

While there has been strong recovery in some regions, following the roll out of Covid vaccines and the easing of government-imposed travel restrictions, we are yet to see flight volumes rebound on a fully global scale.

Looking ahead, we expect to see further opportunities for growth where airlines seek to outsource ground handling. Our credentials and experience with the world's most prominent airlines mean we are well placed to capitalise on this trend. We have a targeted pipeline of new contract opportunities and are working with our customers to deliver these.

We are also collaborating with partners and customers to reduce our carbon footprint as we work towards becoming carbon neutral by 2033. Investing in electric ground service equipment and replacing paper processes with digital systems as well as setting diversity targets are just some examples of how we are committed to creating a fair and sustainable future.

AVIATION IS VITAL FOR THE GLOBAL ECONOMY AND MENZIES AVIATION IS VITAL FOR AVIATION

Our ambition is to be the undisputed number one partner in the aviation services industry. We recognise the world is changing and we must adapt and act to face immediate and emerging challenges and increased expectations from our stakeholders and global communities. We are committed to continually evolving and ensuring we operate and grow our business responsibly and sustainably.

OUR PURPOSE

Our purpose is to provide safe and trusted aviation services and flexible, sustainable solutions, serving the needs of our customers now and for the future. Our safety standards are second-to none because that's what our customers depend on us to deliver. Consistency counts and we strive to get it right every time.

OUR VALUES

Living our values every day is what enables us to achieve our ambition and deliver our purpose. They are at the core of our business and help us to create and maintain an inclusive culture, guide our decisions and actions and deliver the best for our customers.

Safety & Security
Safety & Security always comes first, that's why we never compromise.

Teamwork
Building relationships with those around us makes us all stronger and more successful.

Integrity
We're open and honest in all we say and do, creating trust, and growing our reputation for high standards.

Agility
Every day is different; we have the energy and expertise to respond successfully to any situation.

Customer Focus
We deliver the best service for our customers and create relationships built on trust.

OUR CULTURE

We will develop even stronger customer relationships and invest in our people who are motivated and passionate about supporting Menzies in our journey to success.

Aligned with being a safe and trusted aviation services partner, our culture is built on strong ethics and integrity, underpinned by our values and behaviours. We hope our people are guided and inspired to deliver their best, every day.

OUR STRATEGY

Our strategy is to curate the optimum portfolio mix of customers and services to deliver growth and strong returns whilst partnering with the most sustainability focused organisations in the sector.

Strategic components

1 Optimised portfolio mix

2 Customer orientated

3 People centric

4 Targeted growth

5 Margin improvement

Read more on page 14

OUR SUSTAINABILITY STRATEGY

All In is our plan for a fair and sustainable future and is integral to our success. Evolving since 1833, our business can take the lead in providing sustainable aviation services.

Environment
We recognise our role in reducing aviation's carbon footprint and have a long-term plan to protect the environment, reduce climate change, and adapt our business.

Safety
Our 27,000 committed and professional colleagues follow the correct safety procedures to ensure they return home safely at the end of every day.

People
We offer training and development opportunities to all colleagues and champion an inclusive and diverse workforce where everyone can thrive.

Legal & Ethical
We do business in 38 countries across six continents and aim to adopt the highest ethical business and governance standards everywhere we operate.

Read more on page 40

OUR RELATIONSHIPS

How our purpose and culture feeds into our core relationships.

People
We offer varied careers in dynamic environments, ensuring our employees remain engaged in delivering results. The safety, wellbeing and ongoing development of our employees is core to developing pride in the workplace and creating great teams.

Customers
We work with customers to ensure our service offering is the right one to help them meet their own business challenges. As a professional aviation services business, our customers benefit from our best-in-class services, approach to safety and flexible technical solutions.

Suppliers
We seek to work with suppliers who share the same values and sustainable aspirations as we do and who can support our growth and add value to our business. Developing resilient, ethical and sustainable supply chains globally is our priority.

Shareholders
We seek to maintain an open and effective dialogue with our shareholders and shareholder bodies, and always act in a way that is likely to enrich the success of the Company for the benefit of its members as a whole.

Communities & Partners
We rely on, and aim to make a positive impact on, the local communities and environments in which we operate by reducing environmental impacts, creating employment opportunities, supporting local charities and community initiatives and providing sustainable solutions for our customers.

Read more on page 50

OUR BUSINESS MODEL

WHAT SETS US APART

We are very proud of our heritage and the part that we've played as a trusted service provider since 1833. We are striving to build a stronger legacy for the next generation by serving the sustainable growth needs of the aviation services sector.

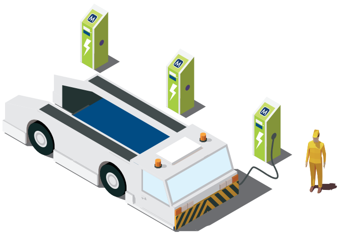
KEY RESOURCES AND INPUTS

Our People
We have a workforce of 27,000 highly trained employees who drive our productivity.

Partners/Suppliers
We have reinvigorated our approach to engaging with our customers and developing trusted and valued relationships with all our stakeholders.

IT/Innovation
We seek out and invest in new solutions to support stronger performance, improved data and greater efficiency and prioritise new thinking in order to find innovative ways of satisfying our customers and gaining competitive advantage.

Our Network
An established network gives us the reach to service customers in 212 locations in 38 countries.



OPERATING MODEL: WHAT DIFFERENTIATES US

CORE SERVICES

Air Cargo Services
We manage the global transportation of high value and time critical cargo by accepting, storing and preparing cargo for worldwide transit for our airline and cargo customers throughout our multi-airport network. Within our cargo forwarding business, we are a neutral consolidator of air cargo, providing wholesale airfreight and express services exclusively to freight forwarders, packaging companies, customs brokers and courier agents.

Fuel Services
We are the world's largest independent provider of aviation fuel services, providing fuel storage management and into-plane fuelling services on four continents. Our customer portfolio includes the world's largest fuel suppliers, airlines, and airports. We deliver bespoke commercial models, best suited to our customers' needs and encompassed by robust KPIs to drive our performance. With a hands-on leadership team, our commitment to innovate underpins our growth.

Ground Services
We offer the full range of ground services including passenger check-in, customer relations, VIP meet and greet, executive lounges, full ramp handling, baggage sorting, loading and tracing, de-icing services, cabin cleaning and presentation, asset maintenance and aircraft washing. We support zero emissions aircraft turns in some locations and collaborate with customers to achieve their sustainability goals as we work towards becoming carbon neutral by 2033 and a leading provider of sustainable ground service solutions.

> Read more about our Strategy on page 14

CREATING VALUE FOR OUR STAKEHOLDERS

Shareholders
We seek to maintain an open and effective dialogue with our shareholders and shareholder bodies, and always act in a way that is likely to enrich the success of the Company for the benefit of its members as a whole.

Employees
We offer varied careers in dynamic environments, ensuring our employees remain engaged in delivering results. The safety, wellbeing and ongoing development of our employees is core to developing pride in the workplace and creating great teams.

Suppliers
We seek to work with suppliers who share the same values and sustainable aspirations as we do and who can support our growth and add value to our business. Developing resilient, ethical and sustainable supply chains globally is our priority.

Customers
We work with customers to ensure our service offering is the right one to help them meet their own business challenges. As a professional aviation services business, our customers benefit from our best in class services, approach to safety and flexible technical solutions.

Communities & Environment
We rely on, and aim to make a positive impact on, the local communities and environments in which we operate by reducing environmental impacts, creating employment opportunities, supporting local charities and community initiatives and providing sustainable solutions for our customers.

> Read more about our Stakeholders on page 66

Customers globally

500+

Average learning and development hours per FTE

32

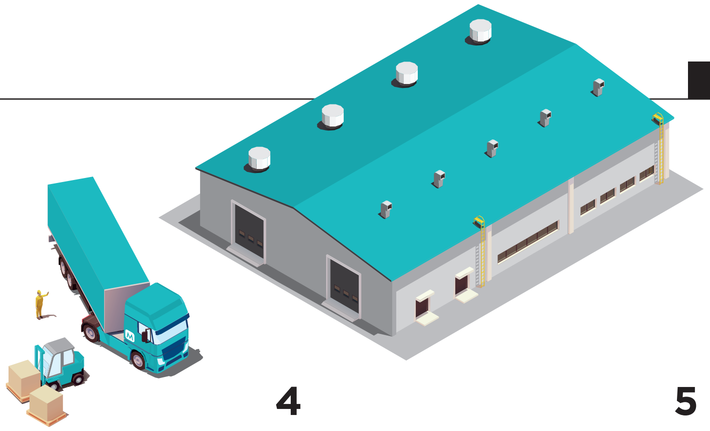
Scope 1 & 2 CO_2e tonnes per FTE

4.29

A CLEAR DIRECTION

Our strategy is to curate the optimum portfolio mix of customers and services to deliver growth and strong returns whilst partnering with the most sustainability focused organisations in the sector.

	1	2
STRATEGY PILLAR	**OPTIMISED PORTFOLIO MIX** Target a wider spread of activities by promoting the organic growth of air cargo and fuel services. We will continue to grow our ground services business, but our focus will be on areas where we know future growth opportunities are stronger and returns will be higher. We are also pursuing selective growth of our ancillary services offering, where operating margins are typically higher.	**CUSTOMER ORIENTATED** Strong customer relationships is vital to success in our industry. We seek to be solutions orientated, working with customers to deliver their goals with the aim of making Menzies Aviation the handling provider of choice wherever we operate. As the industry continues to recover from the pandemic, we believe the strength of our relationships will be vital to the delivery of our growth strategy.
WHAT WE DID IN 2021	**DELIVERED A MORE RESILIENT REVENUE MIX** – Growth in air cargo services and expansion of network to 58 facilities. – Major air cargo contracts won and new customers welcomed. – Annual cargo volumes up substantially to 1.7m tonnes. – Record Air Menzies International (AMI) freight forwarding revenue and profits. – Welcomed Executive Vice President – Fuels to grow this product line.	**FOCUSED ON BEING A SOLUTIONS ORIENTATED PROVIDER** – Customer relationships enhanced, strong collaboration throughout the pandemic. – Significant new business won, significant secondary business. – Collaborated with customers on sustainability initiatives to collectively reduce our carbon footprint.
LOOKING AHEAD	Following significant growth in air cargo, we will continue to focus on delivering a balanced portfolio between air cargo, fuel and ground services.	Collaboration and strong relationships with customers has never been more important. We will build on our existing relationships and seek out new partnerships.
LINK TO RISKS	6 7 8 9 10 Read more on page 36	3 4 5 6 8 9 10 11 12 Read more on page 36



3

PEOPLE CENTRIC

Since 1833, it's the people at Menzies who have made us unique and we recognise that investing in our employees will be a key component of our success. We want to build a team of motivated and passionate people who we will support with industry leading working environments, training and leadership.

PUT OUR PEOPLE AT THE HEART OF OUR BUSINESS

- Created global Menzies 100 group to support our leaders and drive forward our strategic priorities.
- Provided local and global employee wellbeing campaigns and resources.
- Further roll out of Microsoft Teams to communicate with our employees.
- Delivered leadership training to 94% of our middle and senior leaders.

We will continue to enhance the ways we communicate with front-line colleagues, build on our employee wellbeing support, ensure our diversity forums inform positive change, focus on leadership development and embed our values across the business.

1 2 4 5 8 9 11

Read more on page 36

4

TARGETED GROWTH

Expanding our network into emerging markets with strong recovery growth dynamics and higher margins will be a key part of our growth, utilising all of our product categories. Within the ground services market, we will target high volume, high value contracts in key locations making better use of resources and enabling increased customer service and engagement. Where market dynamics are favourable, we will also seek to selectively expand our ancillary product portfolio.

FOCUSED ON HIGHER MARGIN EMERGING MARKETS

- Began operations in six new countries in the Middle East, Asia and Central America.
- New air cargo and ground services markets established in Pakistan and Iraq.
- Successful entry into emerging aviation markets with expansion into China, Costa Rica, El Salvador, and Guatemala.

We are targeting approximately $100m of new revenue in 2022 from commercial activity and $200-$270m in business development from live projects in the medium-term.

3 4 5 6 7 8 9 10 12

Read more on page 36

5

MARGIN IMPROVEMENT

We are committed to driving a structural improvement in the Group's operating margin by focusing our organic and inorganic growth in structural growth markets, a relentless focus on strong cost management and active portfolio management across the existing business.

OVERALL MARGIN IMPROVEMENT

- Moved towards our medium-term target of a margin north of 6%.
- Cost action taken to permanently lower cost base.
- New business highly margin accretive.
- Leaner, more focused business ready to support recovering and additional revenue.

We will continue targeting higher margin business wins, developing an optimised portfolio that attracts a higher margin and focusing on emerging aviation markets for business development opportunities.

3 4 6 7 8 9 10 12

Read more on page 36

KNOWING WE ARE ON TRACK

We measure and track our performance against a carefully selected set of financial and non-financial key performance indicators to provide a balanced assessment of the performance of our operations and progress against the Group's strategic objectives.

DELIVERING VALUE AND PROFITABLE GROWTH

Group revenue growth (%)

2021	27%
2020	-38%
2019	3%

Why we measure this
We are committed to growing our aviation business and revenue growth is therefore a key metric.

Strategic link: 4

Contract renewal rate (%)

2021	88%
2020	83%
2019	80%

Why we measure this
The rate of contracts that we successfully tender for and renew is a key sign of how satisfied our customers are with the levels of service and price we are able to provide.

Strategic link: 4

Underlying operating margin (%)

2021	5.6%
2020	-2.2%
2019	4.0%

Why we measure this
Underlying operating margin is a standard measurement demonstrating our ability to turn our revenue into profit, encompassing our efficiency, controls and value generation.

Strategic link: 1

Total shareholder return v FTSE SmallCap over three years (%)

2021	-86%
2020	-68%
2019	-39%

Why we measure this
Total shareholder return is the most commonly used measurement of value generated for shareholders, capturing both capital and dividend growth.

Strategic link: 1 2 3 4 5

Scope 1 & 2 CO_2e tonnes per FTE

2021	4.29
2020	4.02
2019	4.05

Why we measure this
The average of all our identified scope 1 & 2 emissions per FTE provides insight into the efficiency of our operations on a simpler like for like basis than measuring across different service categories and complements other measures we review of our carbon emissions.

Strategic link: 3 5

> Read more on page 14

"We are well positioned to take advantage of the significant opportunities ahead as the aviation industry continues to recover."

OPERATIONAL DELIVERY SUCCESS

Serious aircraft damage per 1,000 turns

2021	0.013
2020	0.015
2019	0.016

Why we measure this
Aircraft damage per 1,000 turns underpins our quality service provider reputation and ensures we maintain an industry-leading position in safety and service delivery. Insurance costs are also and controlled.

Strategic link: 4

Employee serious injuries per 100 full-time equivalents

2021	0.08
2020	0.15
2019	0.19

Why we measure this
Our people are our greatest asset and deliver our industry-leading service. We operate in areas with heavy machinery and must ensure that training is appropriate to minimise injuries.

Strategic link: 5

Employee turnover

2021	56%
2020	65%
2019	58%

Why we measure this
Our people are our most important resource and so employee turnover is an important measure for how our business is performing. This KPI is measured on a station-by-station basis to ensure that we are able to identify and address trends that impact turnover.

Strategic link: 1 2 3 4 5

Employee hours per fuel services turn

2021	1.8
2020	2.1
2019	1.8

Why we measure this
Into-plane fuelling is a core service for our business and measuring the average number of employee hours utilised for each fuelling turn provides critical information on how efficiently we perform this activity throughout our operations.

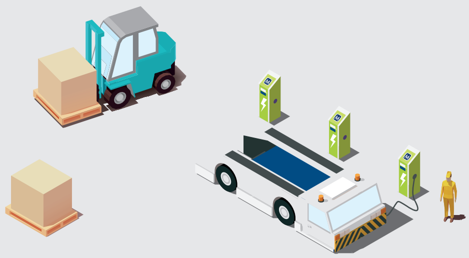
Strategic link: 2 3 4

Employee hours per ground services turn

2021	37.0
2020	39.6
2019	32.7

Why we measure this
Although changes in the mix of wide and narrow-bodied aircraft handled by our business can impact this measure, the average number of employee hours invested to perform each ground handling turn remains a critical measure of how efficiently we operate.

Strategic link: 1 2 4 5



Performing well in our segments

We continue to win significant contracts, enter new markets and optimise the mix of our business portfolio across the Americas, EMEA, Rest of the World and Cargo Forwarding. Our resilient business model leaves us well placed to prosper as flight volumes recover.

IN THE BUSINESS REVIEW

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Rest of World Cargo Forwarding	21
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Entering new markets	24
Protecting our people	26

Our teams ensure passengers and aircraft complete journeys efficiently and on schedule.

Americas

Americas revenue was up 22% on the prior year led by strong air cargo volumes, which more than doubled in absolute terms. Despite the first quarter in the prior year having flight volumes at pre-pandemic levels, fuelling events were up 33% on 2021 and ground services turns up 16%.

Our air cargo business has strengthened significantly across the region. We benefited from the full year impact of adding Qatar Airways' air cargo services won at Los Angeles and San Francisco to our growing global relationship with the carrier. In April 2021, we were pleased to win a five-year cargo contract with Avianca at Miami. At 250,000 tonnes per annum this represents Menzies' largest ever cargo win at a single airport. In Colombia, air cargo volumes were up 40% at nearly 40,000 tonnes.

In August 2021, we expanded our air cargo operations with the acquisition of a controlling stake in Interexpresso, a cargo focused aviation service provider based in Costa Rica. Our initial focus will be on growing Interexpresso's core cargo security offering with the potential to expand into more general air cargo handling and ground services. The business also has operations in El Salvador and Guatemala, creating a strong foothold in Central America to develop further our new range of product lines across this emerging regional market and build upon our reputation for high quality service.

In our fuel services and ground services businesses, we have seen a good recovery in passenger flight volumes, particularly in the USA, Mexico and Colombia, as a result of the surge in domestic and cross-border leisure flights. However, passenger volumes have been slower to recover in Canada and the Atlantic and Caribbean islands. In fuel services, absolute fuelling events were up 33% despite the loss of American Airlines into-plane fuelling at two of the airports that we serve in the USA. Ground services volumes were up 16%, strengthened in Mexico by the full year impact of the wins in 2020 and further contract wins with American Airlines at five airports and Delta Air Lines at two airports. Additionally, we have successfully started up with Flair Airlines at a further seven airports across Canada and with Avianca at an additional five locations across the region.

Our actions to reduce costs and close a number of uneconomic stations, and the resilient nature of the US market in particular, have helped protect profitability in the region. Government support schemes in the region, focused on offsetting the effect of lost volume and maintaining employment, have made a significant impact on financial performance. As a result, the pandemic's impact on profitability in the Americas has been less than in other parts of the world. In the year, the US business received $122m of grants and loans under the Coronavirus Aid, Relief, and Economic Security Act as upfront job support payments to provide support for the duration of the impact of the pandemic. In Canada, we received wage subsidies worth $10m in the year.

Europe, Middle East and Africa

The EMEA segment produced a significant turnaround in profitability well in excess of the 27% increase in revenue. The $93m improvement in revenue has been largely driven by the return of passenger flights, the impact of prior year restructuring, tight management of costs, exiting of loss-making locations and new business wins. The region also benefited from government support schemes, particularly in the UK, Netherlands and Spain.

Absolute air cargo volumes in EMEA were 32% up on 2020, 23% on a like-for-like basis, predominantly due to continuing strong volumes at our major Amsterdam warehouse and the Qatar Airways contract win at London Heathrow in the prior year. In November 2021, we started up air cargo and freighter handling for Avianca at Amsterdam.

In our European fuel services business, events were up 1% on a like-for-like basis reflecting a slow recovery in flight volumes in the UK and the insourcing of fuel services by a customer in France. However, the business has been profitable throughout the pandemic and margins have held firm due to the robust downside volume protection in a number of our contracts. In January 2022, we were pleased to announce that we had renewed and expanded a five-year contract to provide into-plane and fuel farm services to Shell across their fuelling network of seven UK airports.

Our ground services volumes have been impacted by ever-changing travel and quarantine rules in Europe, with the UK and Spain remaining notably weak. Overall like-for-like ground services volumes were up 10%. Our customer centric approach has helped us win a number of important contracts. In April 2021, we commenced ground services with Wizz Air at their main hub at Budapest. This was followed in November 2021 with the announcement that we had completed the renewal of contracts with easyJet at 23 airports across Europe providing a range of passenger, ramp, cabin cleaning and de-icing ground services. In the year, we have supported Flyr with the launch of operations at their home base at Oslo and also at Nice.

The EMEA segment expanded in the year with two new ventures. In January 2021, we acquired a controlling interest in Royal Airport Services at eight airports in Pakistan. The business provides both air cargo and ground services and fits with our strategy of building profitable and growing businesses in attractive emerging aviation markets. In the same month, we commenced ground services at Baghdad, where we are near to completing the implementation of Menzies' systems and processes that are already enhancing operational performance and profitability.

Rest of World

Oceania and eastern Asia are the primary focus of our Rest of World segment. Revenue was 31% up on 2020 with strong performances in both the air cargo and ground services businesses.

Air cargo volumes were down 8% on a like-for-like basis reflecting the reduction in international flights, but on an absolute basis were up 17% on the prior year following contract gains with Qatar Airways and United Airlines. We took a significant strategic step in expanding our cargo reach in emerging aviation markets by acquiring a minority equity stake in JFreight, a new cargo terminal development at Guangzhou, in October 2021. This venture at one of the world's busiest cargo airports represents our first significant air cargo venture in mainland China.

In ground services, like-for-like turns were down 4% reflecting the reduction in volumes in Australia and New Zealand. Absolute turns were ahead of the prior year following the gains from Qantas outsourcing its handling of domestic flights, and wins with Jetstar, the airline's low cost carrier. Our operations in Macau, China are still experiencing restricted passenger volumes, however the airport's air cargo traffic remains resilient, broadly at pre-pandemic levels.

We continue to enjoy commercial success in the Rest of World. In addition to the wins with Qantas and Jetstar, we won air cargo contracts with United Airlines at two airports, and secured and retained significant ground and air cargo services with Virgin Australia at 10 locations across Australia. Profitability of the ground services business has remained resilient in the Rest of World through tight operations management, the handling of repatriation relief flights in Australia and New Zealand, the increased number of cargo only aircraft, and the optimisation of government job retention schemes, particularly in Australia.

Cargo Forwarding

Our Air Menzies International (AMI) cargo forwarding business reported record revenue and underlying operating profit of $296m and $13m respectively, as we continued to benefit from higher yields in the airfreight market. In 2021, AMI has strengthened its position as one of the world's largest neutral providers of airfreight and express cargo services.

We have benefited from restricted cargo capacity reflecting the reduced passenger flights and seaport congestion in some markets. Bookings were up 10% on the prior year and the size and yield of each booking has been considerably higher than in recent years.

We have strengthened our core capabilities by expanding our commercial team to drive new business and invested in the support structure with new sales and operational systems platforms. In the year, we opened two important freight forwarding depots at Seattle and Frankfurt. We are looking to expand our global footprint in the AMI business both organically and through our pipeline of investment opportunities.

**STRATEGY IN ACTION:
OPTIMISING THE BUSINESS**

STRATEGIC LINK

1 OPTIMISED PORTFOLIO MIX
2 CUSTOMER ORIENTATED
4 TARGETED GROWTH

Focusing on cargo

We expanded our network of air cargo warehouses from 49 to 58 in 2021.

Air cargo services tonnage 2021

1.7m

Freight forwarding depots

24

Global Partnership Formed

We secured the most significant win in the history of our air cargo business in April when Avianca selected us as their cargo handling partner of choice at Miami International Airport, a strategically important cargo gateway for the airline and the top-ranking US domestic airport for international freight. With a month to prepare, we successfully started up operations in May. Our team of over 300 employees process approximately 250,000 tonnes of cargo per annum. We expanded our relationship with Avianca in November to become the airline's ground handling service provider at Los Angeles International Airport and Toronto Pearson International Airport, and air cargo handler at Amsterdam Airport Schiphol.

Our air cargo business has gone from strength to strength with a continued focus on global partnerships backed up by major contract wins as we optimise the mix of our business portfolio.

Record Breaking Year
AMI, our global freight forwarding business, opened in two new locations – Frankfurt Airport and Seattle Airport – taking its number of depots to 24. It also achieved record revenues and profits driven by stronger yields, the extension of reach and higher volumes.

Chinese Market Entry
We began operations at Guangzhou Baiyun International Airport in China, one of the world's busiest airports, following a joint venture with JFreight, which has used its artificial intelligence and robotics skills to create a smart cargo terminal.

**STRATEGY IN ACTION:
WINNING NEW CONTRACTS**

STRATEGIC LINK

1 OPTIMISED PORTFOLIO MIX

4 TARGETED GROWTH

5 FOCUS ON MARGIN IMPROVEMENT

Entering new markets

Our team in Baghdad commenced ground services operations in 2021.

We established new operations in six countries – Pakistan, Iraq, China, Costa Rica, Guatemala and El Salvador – opening the door to future growth in these higher margin and emerging markets.

Foothold in Central & Latin America
A joint venture with Interexpresso created a strong foothold in Central America where we plan to develop product lines across the region. Headquartered in Costa Rica, with additional operations in Guatemala and El Salvador, we are initially focusing on developing and growing Interexpresso's core cargo and security offerings with the potential to expand into additional air cargo handling and ground handling services.

We made further gains in the region. In Colombia, we won new contracts with low-cost startup airline Ultra Air at four airports and in Mexico, we secured a multi-station deal to provide a range of ground services at 15 airports to Aeromexico, the country's flag ship carrier. Several additional contracts with airlines including Delta Air Lines and Air Canada means we now have operations in 29 airports across Mexico.

Pakistan Growth Platform
Our acquisition of a stake in Royal Airport Services created a strong growth platform in Pakistan, with Menzies RAS securing air cargo and ground services contracts with several major carriers in the region. We have also used our presence at eight stations to enhance safety and security standards.

Iraq Operations Go Live
Operations were launched at Baghdad International Airport as part of our joint venture partnership with Iraqi Airways. United Iraqi Company provides air cargo services and above and below the wing ground services at Iraq's largest airport.

STRATEGY IN ACTION:
ENABLING SAFETY AND EFFICIENCY

STRATEGIC LINK

2 CUSTOMER ORIENTATED
3 PEOPLE CENTRIC
5 FOCUS ON MARGIN IMPROVEMENT

The safety and security of our operations and our people is our top priority. We engage with our customers to meet their needs and deliver safe, secure and innovative solutions.

Mobile First
Our investment in digital innovation has increased automation and improved service efficiency and on-time-performance. Our mobile first strategy ensures real time oversight and control of global operations, reducing paper and increasing efficiency. Developed in-house, our RSMS mobile app provides live information to our operations teams, including flight updates and task checklists.

Frictionless Reporting
The introduction of swift frictionless reporting via mobile devices has led to an increase in hazards being reported by our people and contractors, which ultimately makes our operations safer for everyone. Each report is followed up to ensure preventative measures are in place and effective. The technology has reduced paper and encourages people to report hazards without having to go through line management.

SmartDrive
All fuel tankers in the USA and Canada have been fitted with SmartDrive video technology to promote safe driving on and off-airport. Cameras record driving behaviours and employees are provided safety coaching following incidents. Positive behaviour is also rewarded and the technology has resulted in a significant improvement in safety driving scores.

SMART App 2.0
Our award-winning Menzies SMART audit tool monitors compliance with internal, regulatory and customer standards. Developed in-house ten years ago, we continue to add new features such as instant positive recognition to employees, which drive continuous improvement across our operations. Paperless, efficient and easy to use, our teams performed over 320,000 quality control inspections in 2021, that's 37 per hour.

Safety is our number one priority.

Protecting our people

Global training compliance

96%

SMART app inspections with zero findings in 2021

96%

Robust response to challenges

The Group responded well to the challenges of the restrictions on flight volumes imposed in response to the Covid pandemic.

Financial Overview
Revenue for the year was $1,353m (2020: $1,064m), a 27% increase over the prior year due to the continuing success of the air cargo business line, recovering flight volumes and strong commercial and business development successes.

The Group recorded an operating profit of $59m, compared with an operating loss of $124m in 2020. Adding back the impact of exceptional and other items, the underlying operating profit for the period was $76m compared with a loss of $24m in the prior year.

The turnaround in profitability was primarily a result of the more sustained recovery in passenger flight activity, enhanced by the improved mix of business lines, the impact of restructuring largely completed in the prior year, the firm control of costs and investments made, and the continued impact of support from governmental schemes.

In 2021, we have recognised $133m of governmental support in the Income Statement, most significantly reported as offsetting operating costs in the EMEA reporting segment for the UK, in Americas for the USA and Canada, and in the Rest of World for Australia.

Profit before tax was $30m (2020: loss of $155m) and the underlying earnings per share was 34.0¢ (2020: 79.8¢ loss per share).

Exceptional Items in Operating Profit
Exceptional items in operating profit were a $7m charge (2020: $91m) comprising restructuring costs to reshape the business in response to and because of the Covid pandemic travel restrictions, a net value of asset impairments and transaction related costs, primarily to set up new businesses.

Revenue

$1.35bn

+27% on 2020

Underlying operating profit

$76m

+$100m on 2020

Finance Costs and Taxation
The Group's underlying net finance costs were $29m (2020: $31m).

As a multinational business, the Group is liable for taxation in multiple jurisdictions around the world. The Group's underlying tax charge for the year was $17m (2020: $18m) representing an effective underlying tax rate of 36% (2020: negative 28%). The substantial favourable impact on underlying tax rates was due to the inability to recognise the full value of tax losses in various jurisdictions that were significantly higher in the prior year.

Defined Benefit Pension Obligation
The reported UK defined benefit pension obligation has moved from a net liability of $9m at the beginning of the year to a net surplus of $2m. This positive financial impact is broadly attributable to $21m positive impact of higher discount rates on future liabilities, $11m of Company contributions and a $13m return on assets, partly offset by $18m for future increases in mortality and, $14m of experience losses in respect of existing pensions in payment.

Impact of Foreign Currency Movements
We have chosen to present the Group results in US dollars, rather than in British pounds as in previous years, reflecting the declining proportion of results generated in the UK. The expected exposure to the fluctuations in exchange rates is therefore lower than in previous years.

The majority of the Group's operations account in currencies other than the US dollar, hence many balance sheet and income statement disclosures include the impact of currency movements. The translation of profits from trading entities reporting in currencies other than US dollars is not hedged, and as a result, the movement of exchange rates affects the Group's reported results. In 2021, there was an adverse impact on reported revenue and profit from the weakening the US dollar against the British pound. Net borrowings have also been adversely impacted by the weakening of US dollar, primarily on the retranslation of the British pound denominated revolving credit facility and on lease liabilities that are not denominated in US dollars.

Earnings Per Share and Dividends
The Group's underlying earnings per ordinary share was 34.0¢ (2020: 79.8¢ loss). The improvement was a result of the increase in underlying profits and an increase in the effective underlying tax rate, partly offset by an increase in the average number of ordinary shares in issue following the equity raise in May 2021.

No dividend is proposed to be paid in respect of the year (2020: $Nil).

Cash Flow, Liquidity and Net Borrowings
The Group has been effective in the proactive management of cash and liquidity. Underlying operating cash flow for the year was $209m (2020: $201m).

	2021 $m	2020 $m
Underlying EBITDA	**191**	90
Working capital movement	**(17)**	75
US government support movement	**35**	33
Other operating items	**–**	3
Underlying operating cash flow	**209**	201
Net capital expenditure	**(39)**	(27)
Net interest paid	**(26)**	(27)
Tax paid	**(15)**	(3)
Free cash flow	**129**	144
M&A activities	**(23)**	–
Additional pension payments	**(11)**	(5)
Cash spend on exceptional items	**(11)**	(42)
Equity related	**30**	–
(Repayment of)/proceeds from borrowings	**(26)**	64
Principal element of lease repayments	**(81)**	(77)
Increase in cash	**7**	84

The cash inflow was largely the result of continuing good trade debtor collections and upfront support from governmental agencies, partly offset by increased working capital as passenger flight activity recovered. Net cash flow was boosted by the receipt of $30m net proceeds from the equity raise in May 2021 that resulted in the Company issuing 7.6 million new shares at £2.90 ($4.09) each.

Free cash flow was $129m (2020: $144m). Net capital expenditure was $39m (2020: $27m). The resulting net cash and cash equivalents at 31 December 2021 was $168m, $1m higher than at the prior year end.

At 31 December 2021, reported net borrowings were $499m (2020: $487m), the increase reflecting the increase in liabilities on leases entered into as flight volumes return and on new business wins, partly offset by favourable operating cash flows. Net debt, excluding the impact of the finance element of operating leases, was $267m (2020: $293m). The Group had $421m of committed banking facilities at 31 December 2021, of which $57m were undrawn.

Going Concern Affirmation

The UK Corporate Governance Code requires the Board to state whether it is appropriate to adopt the going concern basis of accounting in preparing the financial statements, and to identify any material uncertainties to the Company's ability to continue as a going concern over a period of at least 12 months from the date of approval of the financial statements.

In adopting the going concern basis for preparing these financial statements, the Board has considered the Group's business activities, together with factors likely to affect its future development, its performance and principal risks and uncertainties. The impact of Covid has precipitated an unprecedented level of air travel restriction imposed by governments across the world over the last two years. The impact has been broadly positive impact on revenue and profitability of the air cargo services business lines, and the negative impact on flight volumes that drive the ground and fuel services businesses has demonstrated strong signs of sustainable improvement.

After reviewing the Company's current liquidity, net debt, financial forecasts and stress testing of potential risks, before considering the possible offer for the Company as described below, the Board has a reasonable expectation that the Company and Group has sufficient resources to continue in operational existence for the period analysed, which is to 31 December 2023. As a result, the Board continues to adopt the going concern basis of accounting in preparing the Company and Group financial statements.

As set out in Note 25 of these financial statements, a proposal regarding a possible cash offer was received post year end for the shares of the Company. The Board has indicated it would be willing to recommend an offer at the financial terms of the final proposal from the bidder to shareholders, subject to the satisfactory resolution of other terms of the offer. Were an offer for the Company to complete before 31 December 2023, this would be within the Company's going concern assessment period, and would trigger the change of control clauses in certain of the Company's debt facilities that may, at the lenders' discretion, require repayment in part or in full. It would then be the responsibility of the bidder to determine the necessary future financing arrangements of the Company. It is expected that the bidder will put in place alternative financing arrangements to take effect upon the completion of the offer for the Company. The Board has identified that, if the offer for the Company completes during the going concern assessment period and the lenders request repayment under the change of control clause, in the event of alternative financing arrangements were not in place, there would be a material uncertainty surrounding the Company's financing arrangements, which may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company and Group were unable to continue as a going concern.

Viability Statement

The Board has assessed the prospects of the Group over a period of three years. The Board believes that this period to be appropriate as the average length of the customer contracts is approximately three years and the Group's planning cycle covers a three-year period. As detailed on pages 36 to 39 of this Annual Report and Accounts 2021, the Board monitors and assesses the risks and uncertainties faced by the Group. This includes a consideration of the principal risks and material uncertainties facing the Group, including those that may threaten its business model, future performance or solvency. During 2021 and since the financial year end, this process included the preparation and review of a detailed three-year plan.

For assessing the Group's viability, the Board focused its attention on the financial impact and probability of the plausible events that could transpire relating to each of the principal risks that are critical to the Group's success. Each risk and its impact and the relevant key controls mechanisms are set out on pages 36 to 39 of this Annual Report and Accounts 2021. The Board has concluded, before considering the National Aviation Services possible offer described below, that none of the plausible events in isolation or in a plausible combination would prevent the Group from continuing to operate and meet its liabilities as they fall due over a period of assessment of three years.

As set out in Note 25 of these financial statements, a proposal regarding a possible cash offer was received post year end for the shares of the Company. The Board has indicated it would be willing to recommend an offer at the financial terms of the final proposal from the bidder to shareholders, subject to the satisfactory resolution of other terms of the offer. Were an offer for the Company to complete before 31 December 2023, this would be within the period analysed to assess the Company's viability, and would trigger the change of control clauses in certain of the Company's debt facilities that may, at the lenders' discretion, require repayment in part or in full. It would then be the responsibility of the bidder to determine the necessary future financing arrangements of the Company. It is expected that the bidder will put in place alternative financing arrangements to take effect upon the completion of the offer for the Company. The Board has identified that, if the offer for the Company completes during the going concern assessment period and the lenders request repayment under the change of control clause, in the event of alternative financing arrangements were not in place, there would be a material uncertainty surrounding the Company's financing arrangements, which may cast significant doubt upon the Company's viability.

Alvaro Gomez-Reino
Chief Financial Officer
8 March 2022

An effective approach to risk management

Effective risk identification and management is a priority for the Group and in enabling the responsible delivery of its purpose and growth strategy.

As new risks have emerged and evolved to become more relevant in our changing global landscape, the Group has also evolved its risk approach ensuring it continues to be relevant, agile, robust and serves to support the Group's continued resilience and protect its assets, employee welfare and stakeholder interests.

John Geddes
Corporate Affairs Director & Group Company Secretary

During 2021, the Group engaged Deloitte to undertake an assessment and gap analysis of the existing enterprise risk management (ERM) approach and strategy. The aim was to evolve the Group's ERM capabilities and processes to take a more proactive approach to risk and drive value through improved accountability, governance and oversight, and strategic integration. Following the assessment, key recommendations and actions were identified along with an implementation plan, which commenced in December 2021.

In parallel with our ERM assessment, the Group initiated a project to implement the Task Force on Climate-related Financial Disclosures (TCFD) requirements, led by the Director of Corporate Affairs. A TCFD working group was created to participate in the project from across the organisation. The Group engaged Top Tier Impact Strategies to support the project and provide specialist climate knowledge and expertise in climate related risk and scenario analysis. An informed climate risk assessment process was undertaken including stakeholder engagement to identify material risks and scenarios. Scenario analysis and planning workshops explored potential impacts and responses, which informed the final assessment outcome. As part of this work, climate risk has become integrated throughout the Group's updated ERM framework including risk management processes, governance and reporting. Further details of our TCFD approach and resulting disclosure can be found on pages 62 to 65 of this Annual Report and Accounts 2021.

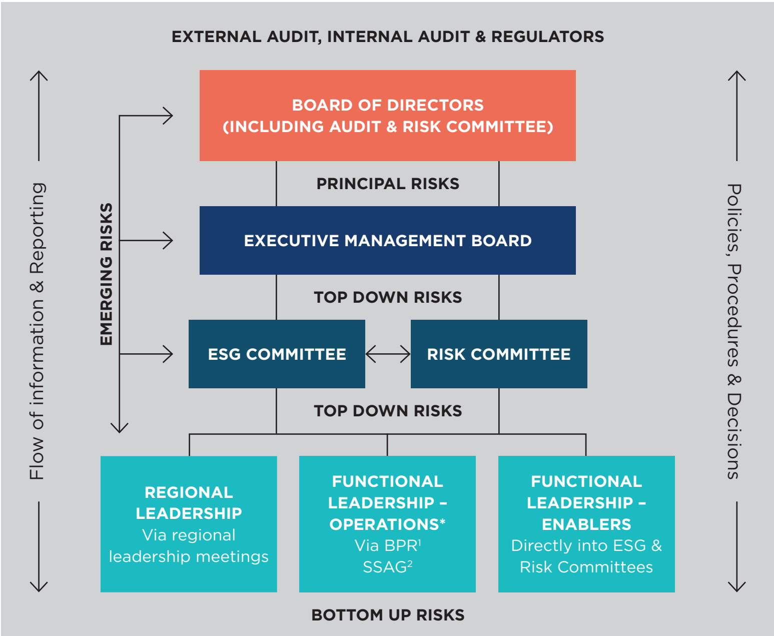
As a result of both these exercises, some key changes have been delivered with further improvements in progress. These include:

- New risk governance structure and increased accountability;
- Integrated ERM framework across all risk types including climate risk;
- Establishment of a new Risk Committee;
- Establishment of a new ESG Committee (Q1 2022);
- Improved risk assessment of key investment and strategic decisions;
- Implementation of a new ERM system and enhanced reporting (in progress);
- New risk training and policy (aligned with the new ERM system);
- New top down risk approach and enhanced focus on emerging risk;
- Integrated risk framework across all risk types including climate risk; and
- Deep dive analysis on climate risk and strategy (2022).

Risk Framework and Governance Structure key

* Bottom up risk identification, review and escalation process.
1. Business Performance Reviews.
2. Safety and Security Advisory Group.

RISK FRAMEWORK & GOVERNANCE STRUCTURE



HIGH LEVEL RESPONSIBILITIES

- Tone from the top.
- Approval of principal and top down risks.
- Approval of risk policy.

- Review, challenge and initial approval of top down risks (including emerging risks). Specific reference to top down risks which are strategic in nature.
- Review, challenge and initial approval of principal risks.
- Deep dive into selected risks – review of associated management activities.
- Ownership of principal risks and selected top down risks (likely to be those that are categorised as strategic).
- Initial approval of risk policy, ownership of risk policy (and associated standard operating procedures).

- Identification, review and challenge of top down risks.
- Familiarisation and awareness of principal risks.
- Selection of those risks to be 'deep dived'.
- Ownership of selected top down risks.
- Emerging risk identification and prioritisation.
- Familiarity with risk policy (and standard operating procedures).

- Input into identification of relevant top down risks.
- Ownership of selected top down risks.
- Familiarisation and awareness of principal risks.
- Familiarity with risk policy (and standard operating procedures).

These changes will create value for the Group by ensuring greater accountability, risk insight and oversight, and through development the risk knowledge and culture.

Risk Management Framework
The Group's approach to enterprise risk management is structured around the recognised 'Three Lines of Defence' model. The elements that contribute to our three lines of defence have evolved over time, including more recently following the assessment process with Deloitte.

The three lines of defence aligns to:
Level 1: The processes, systems, learning, internal controls and standard operating procedures we follow.

Level 2: The risk committee, the risk and quality control functions and programmes we deploy including those related to finance, compliance, legal, corporate affairs, IT and security, and oversight from senior management.

Level 3: Internal and external audit of our controls, processes, and operations including Board oversight.

All risks identified, whether they be external, emerging, bottom up, top down or raised to be principal risks, will be maintained within the enterprise risk management system going forward, replacing our existing risk registers. Due to the nature of our business, it is important we identify, understand and manage risks across all levels of the risk hierarchy in this way.

Bottom up risks are identified in relation to the day to day operations of the Group across all functions and are to be managed locally. These are operational rather than strategic and restricted on a more 'local' level rather than regional or Group-wide. They may be also be identified through our operational internal audit processes.

Top down risks are more strategic or risks that may be Group-wide or focused across functions or divisions.

Principal risks may be a combination of strategic, operational and external (including climate) risks that are of a significant size or have the potential to disrupt or impact the Group's strategy or operations. Our Principal risks are published externally, as shown on page 36 to 39 of this Annual Report and Accounts 2021.

Emerging risks can be identified at every level and are those risks that are newly forming or where there is the possibility of change on the horizon that could result in risk to the business. All risks require assessment and monitoring but emerging risks in particular may require a different level of analysis.

Governance and Accountability
The Group's improved approach to enterprise risk management seeks to develop a risk culture through clearer accountability for risk management and improved engagement and oversight throughout the organisation.

We are driving accountability through increased engagement and risk management oversight with regional teams in particular. Our new ERM system will replace our risk registers and provide greater visibility, ownership, management and reporting of risks, and enable improved tracking of associated actions.

Two new committees have been identified and will play an integral part in the overall risk governance structure. The governance structure and flow of information is outlined in the Risk Framework and Governance diagram on page 33.

Enterprise risk policy and accompanying processes and guidance will be the responsibility of the Director of Corporate Affairs and will be reviewed with the risk committee annually and approved by the Board of Directors.

Risk Committee: Formed to provide a new level of enterprise-wide governance and skilled business assessment, as well as identification, of the risks facing the organisation, with a particular focus on top down and emerging risks, whether they be strategic, change, financial, political, IT, legal, regulatory, reputational, climate or other risks. The committee will assess any gaps, impacts, actions and escalate principal risks and recommendations to the executive management board. It will also review risks related to new business opportunities. Through this process, the committee will instil enhanced awareness and corporate risk governance in a meaningful way, that will inform the Group's business strategy and action planning vital to the success of the organisation. The committee members will include the will meet at least quarterly, or more frequently as circumstances dictate.

The Director of Corporate Affairs will be responsible for reporting risk committee recommendations, principal risks, escalations or other key points, to the Executive Management Board and plc Board, including Audit Committee.

ESG Committee: To be formed in Q1 2022 and chaired by the Head of Sustainability & Corporate Responsibility. The committee will be more strategically focused and consider the Group's approach to ESG more generally and it's corresponding 'All In' plan, but it will have responsibility for ensuring external and emerging top down climate risks and opportunities are identified, assessed and managed as part of the Group's Risk Management Framework, ERM system and governance. The Head of Sustainability & Corporate Responsibility is also a member of the Risk Committee.

Risk Universe
Our risk universe categorisation was considered as part of our overall risk assessment and has been updated to be structured around four main top-level categories focused on Operational, Strategic, External, Change with sub-categories under each.

Climate risk will be driven from external risks but may subsequently impact or be categorised further under any of the risk universe categories. Climate risks may also be identified through materiality interviews undertaken as part of our TCFD process.

Principal Risks and Uncertainties
The table on pages 36 to 39 of this Annual Report and Accounts 2021 sets out the principal risks and uncertainties, identified through our risk management approach and assessed by the Risk Committee, Executive Management and ratified by the Board. The table also highlights the potential impacts, link to strategy and the key control mechanisms the Group has in place to mitigate each risk. Whilst the table does not comprise all risks faced by the Group; it represents those that the Board considers are most significant.

There has been movement in the risks for 2021 compared with 2020, the most notable being the removal of the risk of funding the Group's closed defined benefit pension scheme and inclusion and evolvement of risks relating to global recruitment challenges and climate change. Whilst Brexit continues to pose a risk to the business, this is no longer viewed as a principal risk to the business in its own right.

Risk Appetite
The Board is ultimately responsible for the level of risk that can be delegated to the executive management. More information can be found on the Board's view within the Audit Committee Report on pages 97 to 101. The Group's risk appetite is carefully considered for each principal risk and is a critical element of our investment decision-making process and in how key Group activities are managed. This is a core part of our internal control process assessment process as outlined in the Risk Framework & Governance Structure diagram on page 33. Taking this balanced approach helps the Group deliver its strategic goals in a controlled way.

Reflecting the Group's priority and core value of ensuring safe and secure operations, the removal and management of risk throughout our day-to-day operations is fundamental. As such, the continual improvement and embedding of the Group's Menzies Operating Safely and Effectively (MORSE) programme and developing our safety culture was, as always, high on our agenda for the year, particularly given the new challenges being faced by the Group with increased training for those returning to work, restarting operations and high attrition rates.

As demonstrated with the work undertaken during 2021 to improve our approach to enterprise risk management, we will continue to undertake regular testing of the Group's Risk Framework including management processes and controls, and oversight, to ensure the Group remains resilient, grows responsibly and that we continue to protect its all stakeholders during 2022 and beyond.

John Geddes
Corporate Affairs Director
& Group Company Secretary
8 March 2022

THE RISK MANAGEMENT CYCLE

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has undertaken a robust assessment of the principal risks and uncertainties facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The table below lists those risks and uncertainties that the Board considers most significant and details the key mechanisms which we employ to mitigate them.

RISK CATEGORY		RISK	STRATEGIC LINK	RISK DESCRIPTION
1	PEOPLE	Talent Recruitment and Retention	3	The risk of global talent shortages causing challenges in filling vacant roles and in retaining existing talent due to changing demographics, travel restrictions, low unemployment, and decreased appetite for labour intensive roles, as well as Brexit in the UK and an increased appetite for flexible and higher value working conditions.
2		Wage Inflation	3	The risk of labour shortages and high inflation levels requiring corresponding wage increases, impacting the profitability of the Group.
3	SECURITY	Cyber Security	2 4 5	The risk of a cyber-attack threatening the security of the Group's critical infrastructure and services. This is a growing threat within the aviation industry.
4		Insider Threat	2 3 4 5	The risk that a serious security breach or incident occurring that is directly attributable to the actions of one of our employees, former employees or contractors, whether accidental or malicious.
5	SAFETY	Operational Safety	2 3 4	The risk of a safety incident occurring due to high attrition rates and increased numbers of inexperienced employees being unfamiliar with business processed, controls and culture.

STRATEGIC LINK

1 OPTIMISED PORTFOLIO MIX
2 CUSTOMER ORIENTATED
3 PEOPLE CENTRIC
4 TARGETED GROWTH
5 FOCUS ON MARGIN IMPROVEMENT

Risk change

Increasing ⋀ Decreasing ⋁ No change = New + Emerging ⊼

	POTENTIAL IMPACT	KEY CONTROL MECHANISM	CHANGE FROM 2020
	• Increased competition to secure the best staff may impact wage costs, as well as the ability to support change and delivery of our strategic objectives. • Potential for operational disruption and increased safety risks.	• Developing and reinforcing a strong value proposition that resonates with employees. • Continual investment in developing our existing talent to build from within the skills that we require. • Taking a different approach to attracting talent, including targeting a wider demographic and encouraging applicants from a wider diversity of the population.	⋀
	• Wage demands may exceed costs recoverable from customers. This is a particular challenge in support service roles where costs cannot be recouped.	• Monitoring wage costs and market benchmarking to ensure our offering remains competitive. • Working closely with trade unions and other representatives across the global business. • Working in close partnerships with our customers to recover costs where appropriate and where the business relationship remains workable for both.	⋀
	• Potential business disruption and may impact services for customers causing reputational damage and potential loss of revenue. • An attacker may be able to disable controls, making it more likely for the business to receive a ransom demand. • Potential failure to meet contractual or regulatory obligations incurring penalties.	• Continuing investment in our cyber security programme. • Continually raising IT security standards and reinforcing awareness across Group. • Enhancing our robust IT security programme with renewed policies, procedures and reporting metrics.	⋀
	• Potential for a security related incident to affect our reputation, operational performance and, ultimately, financial performance.	• Working closely with airport authorities. • Rigorously checking and vetting all new employees. • Strengthening our network monitoring through security system reporting. • Continually raising security standards and reinforcing awareness. • Enhancing our robust security programme with renewed policies, procedures and reporting metrics. • Promoting awareness of our confidential and anonymous SpeakUp reporting facility.	=
	• Potential for increased accidents and incidents to cause lost time and missing contractual requirements, resulting in reputational damage, possible contract losses and negatively impacting employee wellbeing.	• Continual executive management and operational reviews reinforcing safety as our number one priority. • Continually raising safety standards and reinforcing awareness. • Enhancing our safety programmes with renewed policies, procedures and reporting metrics.	⋀

RISK CATEGORY		RISK	STRATEGIC LINK	RISK DESCRIPTION
6	FINANCE	**Sufficient Financing**	1 2 4 5	The risk of the business not generating anticipated cash levels, restrictions placed on the movement of cash across international borders within the business, adverse changes to the defined benefit pension fund's deficit cash requirements and inability to access funding from banking or market sources.
7	CLIMATE CHANGE	**Governmental Actions on Climate**	1 4 5	The risk of governments introducing new carbon taxes, coupled with the risk of changing consumer attitudes to aviation travel.
8		**Available Technologies**	1 2 3 4 5	The risk that the availability of zero or low carbon technologies for the aviation sector, including supporting infrastructure in some geographies, slowing the desired or required pace of change.
9	EXTERNAL UNCONTROLLABLE EVENT	**Global Pandemic**	1 2 3 4 5	The risk of a new virus, disease or new virulent strain of Covid, coupled with the ongoing effects of the recent Covid pandemic, affecting global passenger flight volumes and wellbeing of staff.
10		**Extreme Event**	1 2 4 5	The risk of a significant or catastrophic event disrupting or ceasing operations.
EMERGING RISKS				
11	CULTURE	**Embedding Our Values**	2 3	The risk of failing to embed our values, culture, sustainability targets and safety standards in new ventures due to cultural differences, business practices and infrastructure.
12	OPERATIONS	**Supply Chain Resilience**	2 4 5	The risk to the critical supply chain due to scarcity and/or more complex trade controls, while maintaining an ethical and sustainable supplier population.

Risk change

Increasing ∧ Decreasing ∨ No change = New + Emerging ⊼

	POTENTIAL IMPACT	KEY CONTROL MECHANISM	CHANGE FROM 2020
	• Potential of not generating sufficient cash from operations may reduce our ability to fund the growth of the business as planned, to meet payment commitments and cause a credit rating downgrade reducing our ability to attract external funding.	• Frequent reviews of cash positions and forecasts to ensure alignment with expectations, with future cash requirements quickly identified and planned. • Treasury committee review of cash flow forecasts to ensure appropriate funding in place. • Continual monitoring of banking covenant headroom with monthly Board reporting and stress tested liquidity scenario planning. • Regular interaction with the defined benefit pension fund trustees to ensure the scheme's position and investment performance are assessed regularly and negotiate future funding.	=
	• Potential of increased costs of air travel and public perception impacting on volumes. • May cause cost pressures from customers on already tight contractual margins. • Potential to limit growth opportunities.	• Continuing our strategy of a balanced portfolio and growth focused on emerging markets. • Reducing our own carbon emissions limiting any direct financial impact and indirectly for our customers.	∧
	• Potential for higher investment costs in expensive new technologies. • Lack of suitable infrastructure may limit the utilisation of zero/low carbon motorised ground support equipment.	• Capitalising on opportunities offered through innovation and environmental transformation grants. • Collaborating with industry partners and stakeholders to drive new technology opportunities. • Focusing investment opportunities on supporting the aviation services transition whilst supporting growth.	∧
	• Potential restrictions on air travel impacting business volumes. • Reduced availability of employees may inhibit operational support and growth. • Potential loss of profit for the Group.	• Implementation of safety procedures and equipment to safeguard our employees and support safe passenger air travel. • Supply chain risk assessment. • Diversified operations across multiple geographies limiting financial impact and creating resilience.	=
	• Potential impact on employee wellbeing and safety. • Potential financial impact due to sudden restrictions or ceasing of physical operations in one or more locations. • Potential loss of use of assets.	• Continual monitoring of external risks and events. • Ongoing development of emergency response procedures. • Diversified operations across multiple geographies limiting financial impact and creating resilience.	=
	• Potential reputational risk from inconsistent values and culture and failure to meet sustainability targets. • Potential for increased safety risk where cultural values are not embedded.	• Strong leadership and promoting an inclusive culture. • Accessible skills training, ongoing development and embedding safety practices and reporting. • Developing and reinforcing a strong value proposition that resonates with employees.	⊼
	• Potential for increased operational costs from some suppliers and longer lead times. • New suppliers and those new to market may supply poorer quality or less ethically sound products.	• Detailed supply chain risk assessment and due diligence for existing and all new suppliers. • Regular resilience reviews with key suppliers. • Ongoing monitoring of external factors for potential supply chain issues.	⊼

All In – our plan for a sustainable future

The Group is more committed than ever to developing and achieving our goals for a sustainable future and growing our business ethically and responsibly. Following the launch of our sustainability strategy last year, we have progressed a number of initiatives in seeking to achieve the goals that were set out including our goal of becoming neutral for scope 1 and 2 emissions by 2033 and our gender targets.

Our new 'All In' plan encapsulates all aspects and material areas of focus for the Group across environmental, social and governance (ESG) pillars. It helps us engage with all our People on ESG topics, signpost and communicate our ESG goals and actions, and it gives an identity to Menzies' commitment to ESG. Our 'All In' plan is overseen by the Director of Corporate Affairs and is supported by all our Board and senior management. Our approach to ESG is becoming truly intertwined with every aspect of our business and key to delivering our overall strategy and future success.

Within this Responsible Business section of our Annual Report and Accounts 2021, we are pleased to provide an update on our 'All In' plan and the commitments and goals we have set across environmental, legal and ethical, health and safety, and people topics, and how we have supported our communities. We have made great strides in setting positive change in motion to deliver on our ambitions and goals. Our plans will continue to evolve as we mature and develop our culture, identify new priorities and opportunities, develop our strategy, and support the needs of the aviation sector to play its part in reducing its impact on climate change.

Underpinning development of our plans for 'All In', we are creating a new ESG committee in March 2022. Chaired by the Head of Sustainability & Corporate Responsibility, the committee will help to shape and drive our 'All In' plans and champion delivery of them and engagement throughout the Group, as well as our wider stakeholder population.
We are also pleased to share our first Task Force on Climate-related Financial Disclosure, which can be

UN SDG Alignment

found on pages 62 to 65 of this Annual Report and Accounts 2021. The methodology we followed in preparation of this report has proved valuable, educational and insightful. We will continue to follow this methodology going forward and integrate it into our risk, strategy and governance processes and controls.

2021 Progress & Achievement Highlights

UN Global Compact

We were proud to become a signatory to the United Nations (UN) Global Compact during 2021, sharing our commitment to align our strategies and operations with the ten universal principles on human rights, labour, environment, and anti-corruption and to take action in support of UN goals and issues embodied in the Sustainable Development Goals (SDGs). We have identified the SDGs shown on the left that are particular areas of focus within the Group and in delivery of our 'All In' plan and linked these to our commitments and goals.

Further details of our progress including our participation in two UN programmes – Target Gender Equality and Climate Ambition Accelerator – are explored further in the report. The programmes are designed to develop companies' skills and knowledge, and set and reach ambitious corporate targets.

GHI Sustainability Award Finalist

We were pleased that even in its inaugural year, our sustainability strategy was recognised, placing as a finalist for the Sustainability Award at the annual Ground Handling International Awards 2021. We look forward to leading the way and future successes in delivering positive change.

Science Based Targets

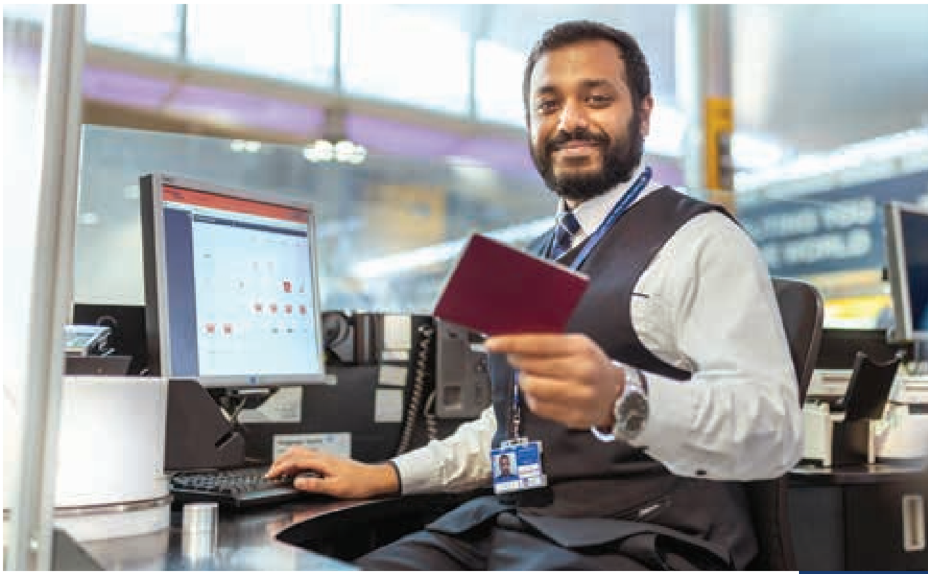
During 2021 the Group committed to setting Science Based Targets aligned with the Business Ambition for 1.5° campaign and plans to set these during 2022. This will ensure our goals are verified, measurable and transparent.

Collaboration with Our Partners
Collaborating with our partners on initiatives to help us reduce our emissions and environmental impacts is essential to achieve our carbon neutral goals, as well as support a sustainable future for aviation more widely.

The Group is delighted to be a member of the Clean Skies for Tomorrow Coalition, led by the World Economic Forum, and to have signed the Coalition's Ambition Statement, to work together to put the global aviation sector on the path to net zero emissions by 2050 by accelerating the supply and use of SAF technologies to reach 10% of global jet aviation fuel supply by 2030.

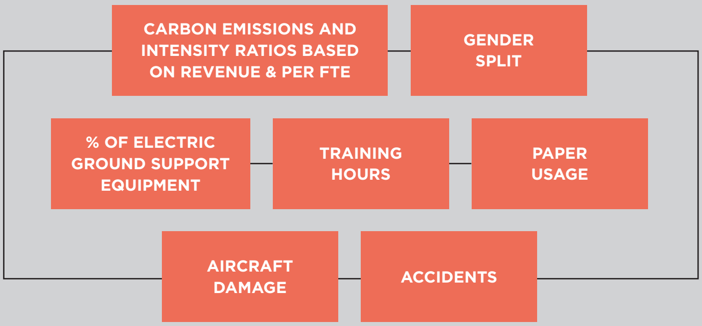
Our Go Paperless initiative is focused on removing paper from our operations by changing our processes or digitising them. We implemented software to monitor printer use across our global operations, As well as tracking our progress internally across our global operations on number of change initiatives, we have also collaborated with cargo and ground services customers to work together to change our shared processes to make a positive impact in this area. This is something we plan to scale with more customers in 2022. It is a true team effort!

Measuring Success
We set short, medium and long-term deliverables against our goals and monitor their progress. Examples of the metrics we currently use to track progress and measure success are shown on the right. Other ways we measure include employee engagement surveys, tracking implementation of changes in our business, and going forward, tracking engagement with suppliers. Our measures also inform our risks. We can also link this to how we manage our risks. Our senior teams have KPI targets set to help support delivery of key objectives, including our Executive management team and we expect to expand this further to be linked to Board remuneration in future.



'All In' for 2022
We have big plans for 2022. We will be focused on setting new goals and measures, delving deeper into climate risk and opportunities, giving our People ways to be part of and shape and deliver our 'All In' plans, and deliver positive change.

SOME OF OUR METRICS WE ALREADY TRACK AGAINST OUR GOALS INCLUDE:



Complete

2021

ESG framework published

Programme established with first goals, KPIs and actions set

WE SUPPORT UN GLOBAL COMPACT

Signatory

SCIENCE BASED TARGETS

BUSINESS AMBITION FOR 1.5°C

Committed to setting SBTs

CDP

First CDP climate response

UN Climate Ambition and Target Gender Equality programmes

Embedding sustainability into our business

- Investing in fleet, digital transformation and cyber.
- Progressing sustainability initiatives across ESG priorities.
- 'All In' communication and engagement strategy.
- Equity, Inclusion & Belonging working group.
- Engagement and collaboration with our partners.
- Integrated into business strategy and decision making.
- Enhanced analysis, risk assessment and KPIs.

In progress

Integrating sustainability into our supply chain

Become carbon neutral

2022

- Full supplier ESG assessment & scope 3 analysis.
- EMS.
- Stakeholder engagement and collaboration.
- Clean Skies Participation.
- Regulatory compliance e.g. TCFD.
- Setting new goals.
- SBTs verification & setting interim targets and plans.
- Community engagement.

2033

Environmental

- Reducing our emissions.
- Setting verified SBTIs and new goals.
- Renewing our environmental policy and environmental management system.
- Delivering further savings with Go Paperless internally and with our partners.
- Setting up initiatives and goals aligned to each service category.

People

- Develop our Equity, Inclusion and Belonging working group and its focus areas of Talent Attraction and Talent Retention and Development.
- Develop our diversity targets beyond gender.
- Employee engagement.

Legal, Ethical and Governance

- Supplier engagement and scope 3 analysis.
- Rolling out our new third party risk management system and updated third party code of conduct.
- Continued investment in cyber security.
- New ESG Committee.
- Develop our climate risk and opportunity analysis and strategic alignment.

Health & Safety

- Improve and increase hazards and near miss reporting by introducing frictionless reporting and loss time reporting.
- Invest in technology to improve safety such as SmartDrive and immersive 360-degree videos. Engage employees through gamification and continually promote our Golden Rules.
- Continue to embed the MORSE code and charter across our network to create a positive safety culture. Focus on mentoring, improving supervision and oversight, and managing risk training.

Ethics & integrity

Growing responsibly is key to delivering the Group's purpose and business strategy by nurturing an ethical culture and taking an ethical approach to how we operate and engage with our stakeholders. Our 'All In' strategy is key to achieving this and is underpinned by our global compliance programme and the actions we take. The Group's Director of Corporate Affairs has Board responsibility and oversight of the Group's approach to compliance and ethical conduct, as well as our 'All In' strategy.

OUR LEGAL & ETHICAL GOALS

Anti-bribery and corruption
Zero tolerance for all forms of bribery and corruption within our business and supply chains.

Fully compliant
Operating in full compliance with applicable legislation, ensuring strong ethical and governance practices are up to date, relevant and adhered to.

Cyber security
Ensuring continuous improvement of the confidentiality, integrity and availability of Menzies systems, data and services.

Ethical supply chain
Ensuring sustainable and ethical supply chains and partnerships everywhere we operate.

During 2020 we progressed our core goals for operating ethically by:

- communicating and embedding our new SpeakUp solution throughout the Group;
- increasing our investment in cyber security; and
- selecting a new third party risk management solution.

Our Code of Conduct is shared Group-wide and provides awareness and a clear set of standards and ethical behaviours that are expected of all our People across a wide variety of topics. This is further supported by our suite of Group policies, procedures and training.

SpeakUp

During 2021, we embedded our new SpeakUp solution throughout the Group along with a new policy and guidance. This has given employees a voice and means of raising concerns in difficult circumstances or where they wish to remain anonymous. An increased number of reports was received in 2021 from all regions, demonstrating the effectiveness of our communication.

We take all reports and complaints in relation to improper conduct, breaches of regulation or legislation or other forms of unethical behaviour seriously. Our People can be assured that all reports are treated confidentially and addressed in line with service level agreements and investigating procedures. Anyone who makes a report is communicated with via the SpeakUp platform and receives a response on the outcome of any investigation.

Anti-bribery and Anti-corruption

The Group continues to enforce its zero-tolerance stance to bribery and corruption throughout its operations. Clear policies, training and day-to-day guidance and support help protect our People and the Group from any bribery or corruption related risk. Our Third Party Code of Conduct and contractual provisions help set expectations on ensure compliance and ethical conduct with our third parties. We undertake significant due diligence with our joint venture partners and third party due diligence is a key area of focus for the Group, as outlined further in this report. No political contributions were made by the Group in 2021. No instances of bribery or corruption were identified within the Group's operations during 2021 and it was not subject to any external investigation or financial penalties in relation to bribery or corruption.

Due Diligence and Supplier Engagement

During 2021 the Group engaged Deloitte to support the implementation of a new third party risk management system, to enhance and automate our supplier and contractor due diligence, onboarding procedures and controls, including ongoing monitoring. The new solution will be rolled out during 2022 and will be accompanied by an updated third party code of conduct and guidance. This supports the Group's continued development of our compliance programme including anti-bribery and anti-corruption, modern slavery and labour rights, sanctions, information security and data privacy, engaging with

Human rights and our response to modern slavery

The Group's latest annual Anti-Slavery and Human Trafficking Statement is available on our company websites and in the UK and Australian modern slavery statement Registers, in compliance with the UK Modern Slavery Act 2015 and Australian Modern Slavery Act (Commonwealth).

The Group fully supports the United Nations Guiding Principles on Business and Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. No form of slavery or forced labour within our business or supply chains. As such, our Statement outlines our response and steps taken to address modern slavery and human trafficking risks and ensuring that any form of slavery including forced labour, bonded labour, child labour and human trafficking do not occur in our supply chains or any part of the Group's operations.

No instances of modern slavery were identified in the Group's operations or supply chain during 2021.

https://menziesaviation.com/anti-slavery-statement/

TRACE

We are pleased to continue our membership with TRACE, underlining our zero tolerance approach to bribery and corruption. TRACE is a non-profit business association dedicated to anti-bribery, compliance and good governance and is widely recognised for establishing compliance standards and advancing commercial transparency worldwide. TRACE membership helps companies conduct business ethically and in compliance with the U.S. Foreign Corrupt Practices Act, UK Bribery Act and other similar anti-bribery legislation. Members include hundreds of multinational companies across all industry sectors. For more information, visit www.TRACEinternational.org

suppliers who operate ethically. The new solution will also support increased engagement with our supplier population and support assessment of their ESG credentials and gather scope 3 emissions. Gaining greater oversight of our supplier population will also support our risk management processes through identification of potential supplier and supply chain resilience issues.

UN SDG Alignment

Policies, Training and Communication

The Group's Code of Conduct lays the foundation for all other compliance and ethics related policies. We translate our Code and core compliance policies into multiple languages aligned to the geographies in which we operate to ensure they are as accessible and understandable as possible for our global employee population. Our policies cover a variety of top.

The Group has a targeted role-based learning and development programme across all levels of the organisation including senior and Executive teams, which includes ethical conduct and compliance topics such as code of conduct, anti-bribery and anti-corruption, conflicts of interest, gifts and hospitality, data privacy and protection and IT security. Our Code of Conduct e-learning is mandatory for Training is also delivered face-to-face in person or via Microsoft Teams. Our legal teams delivered targeted training during 2021 on aviation standard ground handling agreements and corporate deal structuring, whilst raising awareness of our own key contractual provisions. During 2022, we will be reviewing our modern slavery training and also creating new guidance and training to accompany our updated third party due diligence and risk management procedures and system.

We utilise a wide variety of communication methods throughout the year to raise awareness, share practical guidance and develop understanding of ethical and compliance topics with the core aim of keeping our People and the Group safe from any wrongdoing, unethical practices and develops Menzies ethical culture.

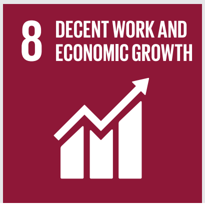
Core priorities for 2022 include:

- Rolling out our new third party risk management system and updated guidance and policies;
- Focus on developing our modern slavery and information security/ cyber awareness; and
- Continuing our cyber security investment.

Our people and culture

Since 1833, it is the People at Menzies who have made us unique. Investing in our employees and their experience at work is key to our success.

UN SDG Alignment



OUR PEOPLE GOALS

Optimise training
Focus on the safety & wellness of our People.

Increase development
Retain talent and develop our people at all levels with a focus on our leadership.

Improve engagement
Enhance the way we communicate with our people, especially frontline colleagues.

Diverse & balanced workforce
Support our diversity forums to inform positive change across the business.

For Menzies, like many other businesses, it has been another year full of challenges. Our People have continued to go above and beyond especially our frontline teams who have ensured the movement of people and goods continued. They have also played a vital role in reuniting families as travel restrictions eased.

The demands on our global team of over 27,000 people have been relentless. For example, constantly changing airline schedules has required focus and flexibility. The resilience and agility shown by our People is something that we are very proud of. We launched our refreshed employee values and created a global recognition programme to thank and celebrate colleagues who are living the values.

Throughout 2021, a key focus has been on safety, both operationally through our Covid secure measures, including the promotion of vaccines, and supporting our colleagues' wellbeing through local and global initiatives.

We had the pleasure of welcoming many new colleagues to our global team this year, including countries where we have established operations such as Pakistan, Iraq, Costa Rica, Guatemala and El Salvador. As the world starts travelling again post-Covid, we're focused on ramping up our operations and hiring 3,500 colleagues across our global network.

In 2021, we refreshed and made progress on our people strategy, which focuses on three core areas to help deliver our overall business strategy and build a team of motivated and passionate people. The strategy also helps deliver two of the UN Sustainable Development Goals – Gender Equality and Decent Work & Economic Growth.

Our People Strategy

1. Making Menzies a great place for our People to work.
2. Passionate about growing our own talent.
3. Taking pride in getting the basics right.

As part of our people centric commitment, in 2022 we will continue to focus on the following areas:

- Enhancing the ways in which we communicate with our front-line colleagues, to improve engagement.
- Continuing to develop the ways we support our colleagues' wellbeing in all regions.
- Ensuring our diversity forums inform positive change across the business.
- Focusing on leadership development.
- Expanding our Women in Leadership programme to support more of our future female leaders.
- Developing our HRIS system globally.
- Embedding our values and celebrating and recognising our people who are living our values.

Women in leadership

Kayla Moa, General Manager – Cargo at Sydney Airport, was a finalist in the GHI Pride of Ground Handling Unsung Hero Award.

The aviation industry has traditionally been regarded as a male dominated industry. At Menzies, we are committed to challenging that stereotype, supporting women and ensuring that there are opportunities to progress at every level. We launched our Women in Leadership programme in 2021 which supported some of our future female leaders to develop their confidence and self-belief, build clarity on life and career direction and foster new relationships. This programme, along with our wider diversity initiatives, are a key step towards meeting our diversity and inclusion goals. More women will have the opportunity to participate in the programme during 2022.

"The programme gave me a confidence boost and made me much more aware of how my actions affect others around me and how I can support and coach my team. I will definitely use the gained knowledge and pay it forward."

Marina Nilsson Rahel, Front of House Manager, Gothenburg Landvetter Airport

Participation by our leaders in our online safety module in 2021

95%

Senior leaders who completed our Living Leadership training

94%

Safety & Wellness

95% of our leaders across our global business participated in our online safety module in 2021, focusing on creating a safety culture in the workplace. We continued to invest in wellbeing resources for colleagues in all parts of our business, offering location specific content, mental health first aid training and running multi-language awareness campaigns.

We believe there is power in diversity and our differences make us stronger as a group.

"Throughout 2021, a key focus has been on safety, both operationally through our Covid secure measures, including the promotion of vaccines, and supporting our colleagues' wellbeing through local and global initiatives."

Making Menzies a great place for our People to work

"Diversifying our leadership helps us to better represent our workforce, and the communities that we work within. It brings diversity of thinking to our decision making and helps us perform better as a business."

Diversity and Inclusion
We are participating in the United Nations Global Compact – Target Gender Equality program. We aim to increase the proportion of females:

1. In our senior leadership population to at least 25% by 2025 (currently at 20%).
2. In our middle leadership population to at least 40% by 2033 (currently at 28%).

We set up a global Equity, Inclusion and Belonging working group in 2021 and agreed two workstreams for the group to progress in 2022 – Talent Attraction & Recruitment and Retention & Development, which aim to improve and embed change for our employees.

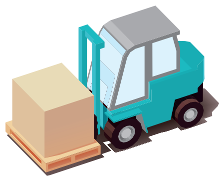
Diversifying our leadership helps us to better represent our workforce, and the communities that we work within. It brings diversity of thinking to our decision making and helps us perform better as a business. At Menzies, we want everyone to bring their whole selves to work and to achieve their maximum potential, regardless of their identity or background.

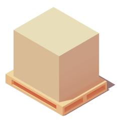
Being Passionate About Growing Our Own Talent
In 2021, 94% of our senior leaders went through our bespoke and award-winning Living Leadership training. We launched our global Menzies 100 group – a collaboration and development group for our 100 most senior leaders who are key in delivering our business strategy. Managers at every level can access our online self-development learning platform Managers 101.

Taking Pride in Getting the Basics Right
We enhanced the ways our colleagues can feedback, launching our global whistleblowing platform SpeakUp and through our global employee engagement survey Let's Check In. Our global HRIS platform will be in place in all of our 200+ locations by the end of 2022, driving efficiencies and as part of wider our GDPR compliance obligations.

TARGET GENDER EQUALITY

25BY2025





Supporting our communities

Supporting the local communities where we operate and where our People live is important to us. It is a key part of our 'All In' plan for a fair and sustainable future.

We commit to:

- Supporting local and global supply chains and ensuring ethical business practices;
- Running local recruitment initiatives;
- Offering support to national and local charities; and
- Encouraging our teams to support local initiatives.

Our plans to attract new talent through back to work schemes, recruitment drives, and new initiatives developed by our Equity, Inclusion and Belonging working group, will help us achieve a more diverse pool of people in our workplaces which will in turn support local communities and economies. We also support young people through apprenticeship opportunities and awarding educational scholarships to the children of some of our employees.

Many of our People are active members of the community supporting local causes that are important to them, as well as working with our partners at many of the airports we operate, fundraising or supporting charitable initiatives in other ways.

In November, Menzies teams in Perth, Australia held a Fairy Bread Day, raising funds for Reach Out, a leading mental health charity for young people in Australia. Angela Brolin, Administration Coordinator, Perth, said, "On the day, a production line table was set up complete with bread, pancakes and donuts. There was plenty of laughter and mess but it gave us the opportunity to talk about a subject that is not normally discussed in a public forum. We hope that the amount we raised will assist."

In December our central teams in Edinburgh supported Social Bite, taking part in the charity's 'Festival of Kindness'. Our teams made donations and volunteered at the 'Tree of Kindness' collecting donations and learning more about the work Social Bite do in the local community. The 2021 campaign was able to supply 263,720 Christmas meals, food packs, gifts and essential items for people experiencing homelessness and food poverty.

Trees for Life

In September, we launched our Menzies Aviation Corporate Grove with Trees for Life. We are proud to support the great conservation work Trees for Life do in rewilding the Scottish Highlands and planting trees, providing space for wildlife to flourish and communities to thrive.

Our teams at the Ground Handling International Conference in Copenhagen made a donation to plant trees in our corporate grove on behalf of every customer they met with, in place of the usual 'giveaways'. We continue to support Trees for Life through our Menzies Corporate Grove with more donations for further events made and planned.

We look forward to expanding our community volunteering initiatives in the coming year and creating new ways to enable our people to support more local charitable and community initiatives and make a positive impact.

ClimateCare

We partnered with ClimateCare in 2021, supporting socially responsible projects that cut carbon and also improve lives in countries where they are located. These include providing clean cookstoves in Bangladesh, afforestation initiatives in Mexico and rainforest protection measures in Indonesia.

You can read more about how these projects help to compensate for our global emissions on page 55.

> Read more about our partnership with ClimateCare on page 55

UN SDG Alignment

Safer and Cleaner Cookstoves, Bangladesh

Saving money and improving health

Less than 20% of the 35 million Bangladeshi households have access to clean cooking. Traditionally, cooking is done over an open firepit, releasing smoke and particulate pollutants, contributing to 46,000 premature deaths a year and causing millions in the country to suffer from respiratory and cardiovascular diseases and eye and skin infections. Women and children are particularly affected, due to their role in food preparation.

This project is changing this through its Bondhu Chula, which loosely translates as the 'friendly stove'. The combustion chamber is designed to ensure a more efficient burn reducing fuel use and the chimney takes the harmful pollutants out of the house. The project works with micro-entrepreneurs who receive training in stove production, sales and marketing and after-sales service.

Protecting Biodiverse Rainforest, Indonesia

Protecting the home of the threatened Bornean orangutan

We chose to support this project for the incredible impact it is having on protecting Indonesia's threatened forests and work in addressing all 17 of the UN Sustainable Development Goals.

Each year, Indonesia loses substantial areas of forested land due to palm oil cultivation and agriculture, making it one of the highest global emitters of greenhouse gases. This deforestation is also depleting much needed ecosystems and threatening Indonesia's unique biodiversity.

Afforestation, Mexico

Cultivating forests on baron and marginalised land, promoting soil conservation, water retention and biodiversity

We chose to support this project as it is located in one of own geographies in which we operate and for the way the project is supporting sustainable development, community development and poverty alleviation, as well as producing sustainable wood products and supporting biodiversity.

Mexico loses an average of 870 square miles of arable land each year to desertification, with forests or jungles transforming into barren land. The main causes of these changes include overlogging, overfarming and overgrazing. Faced with increasingly infertile soil, about 900,000 people leave Mexico's arid and semi-arid lands every year.

Collaborating with partners to achieve more

We recognise climate change is a global challenge facing us all and that Menzies, as a Group, has a responsibility to play its part in decarbonising the aviation sector. As flight volumes return and operations volumes increase the Group remains firmly committed to reducing its own carbon emissions and lessening the environmental impact of its operations.

OUR ENVIRONMENT GOALS

Carbon neutral by 2033
Increase proportion of electric vehicles in our GSE fleet and investment in carbon offsetting. Collaborate with equipment manufacturers on developing new technology. Reduce energy and fuel use by sourcing electricity from renewable sources and switching to LED lighting.

Zero fuel spillages
Capture fuel spillage data and set a baseline. Tackle behaviours through training and awareness. Develop innovative solutions to reduce spills and their impact.

Supporting the climate agenda
Reduce waste and work with our value chain to capture and reduce Scope 3 emissions. Support our airline customers to reduce emissions by providing solutions for sustainable aviation fuel, and providing efficient aircraft turnaround to reduce delays and increase on time performance.

The launch of our 'All In' sustainability strategy has provided increased focus in this area and we are making good progress towards our goal of becoming carbon neutral for Scope 1 and 2 emissions by 2033 through a number of global and local initiatives. Collaborating with our partners including suppliers, airports, and airlines to innovate and find solutions to operate more sustainably will be core to the Group's long-term success.

Investing in Electric Equipment
Transforming our ground support equipment (GSE) fleet is integral to our plans to reduce our carbon footprint. As our fleet expands in response to growing operations, we are investing heavily in electric GSE where it is available and where airport infrastructure allows.

In 2021 our electric GSE fleet grew by 7% excluding our AMI operation). We now have 998 items of electric equipment within our core operations which represents 13.5% of our motorised fleet and we have set a target to grow our electric fleet by at least another 5% in 2022.

We have invested in, and seen success with, a variety of different electric equipment across Europe. This includes 2 electric belt loaders in London Heathrow Airport, a towable electric powered lavatory cart in Isle of Man airport, electric lower deck loaders in Prague and Cluj Airports, and an electric ground power unit in Cluj.

We are also introducing more electric forklifts into our cargo operations including 28 electric forklifts in Miami as part of our new cargo handling partnership with Avianca.

In the America's we have focused on converting existing GSE to electric including 6 lithium powered electric baggage tractors at Bermuda Airport, and the first TUG Alpha 1 lithium powered electric pushback in Tampa, Florida. In partnership with A&V Rebuilding, our US team are exploring the possibilities of refurbishing and repowering conventional GSE, see spotlight on page 54.

With a significant amount of our fleet leased it is vital that we work closely with our equipment providers to reduce emissions. In 2021 we introduced three new equipment providers – Rushlift, Air-Rail, and HiSERV – all of whom are already contributing to growing the amount of electric GSE in our operations at London Heathrow, Oslo Airport and across our operations in Spain and France, including, electric baggage tractors, electric belt loaders, electric passenger steps, electric pushbacks and our first electric passenger bus.

We are proud that our growing electric fleet can support our customers' sustainability ambitions. We provide fully electric 'green' turns for Ryanair at three European airports: Amsterdam, Gothenburg and Oslo. With a standard turnaround of this type emitting up to 52kg of CO_2e, these fully electric turns contribute to reducing both our own and Ryanair's carbon footprint, every time. Similarly for fuel services, our entire hydrant dispenser fleet in our international into-plane pool is electric and has been for many years.

Our partnership with Aer Lingus supporting their new transatlantic routes from Manchester has allowed us to invest in 2 high loaders, 2 passenger steps and 1 belt loader, all fully electric. This allows us to offer the widest selection of electric GSE at Manchester Airport.

These changes have been made possible through close collaboration with our airline partners and the airports' provision of charging infrastructure on the ramp.

Collaborating on Innovation
With advances in technology and innovation there is now a much wider choice of electric equipment options available and more commercially and operationally viable than ever before.

In 2021 we collaborated with equipment manufacturers to trial some of the latest prototypes and products. Examples include the trial of a hybrid deicing rig at Oslo Airport in partnership with Vestergaard, the trial of a electric main deck loader at Budapest Airport with Guangtai, and the trial of electric cargo tractors in Amsterdam with Goldhofer and Charlatte.

We also worked with our partners Shell Aviation to study hydrant vehicle movement patterns at Manchester Airport. This work has contributed to the design and specification of battery capacity for electric powered hydrant vehicles with the first six set to be introduced to Shell's UK operations in 2022.

At London Heathrow we worked with Smarter Asset Management (SAM), our telematics provider, to reduce unnecessary idling. Automated reports from the telematics system allow our local management to proactively engage with our ground staff and drive down unnecessary idling, fuel use and emissions. During a four-month period excessive idling was reduced by 20%, saving up to 6,000 litres of diesel and 15 tonnes of CO_2e.

UN SDG Alignment

Exploring Alternative Fuels for Ground Support Equipment and Vehicles
Fuels such as hydrogenated vegetable oil (HVO) and gas-to-liquid (GTL) have become viable options for use as drop-in alternatives to diesel and significantly reduce dangerous local emissions of nitrous oxide, particulate matter and carbon monoxide. These fuels can also help reduce our carbon footprint with HVO made from used cooking oil reducing net CO_2 emissions by up to 90%.

In Manchester Airport we partnered with Shell Aviation to trial HVO in our hydrant vehicles. The results found by end point users were better than expected with a 75% decrease in dangerous nitrous oxide emissions, and particulates reduced from 0.5g/m^3 to negligible. This is on top of the up to 90% reduction in net CO_2 emissions from the manufacturing process. There was no detrimental effect on performance and the operators gave positive feedback. Our partners, Shell Aviation, are extending the trial to tankers at Birmingham Airport with the possible of switching the UK fuelling fleet to alternative fuels.

Spotlight: Refurbishing, repowering and upgrading conventional GSE

One of the fully up-cycled lithium electric powered baggage tractors with a fully integrated battery management system and additional safety features provided by A&V Rebuilding and trialled successfully at Ontario Airport, California.

During 2021 our team in Ontario, California engaged in a project trialling the new lithium repower system from A&V Rebuilders, LEVCON and HPEVS. This involved robustness, charge and run time testing as well as assessing the new advanced safety features built into the fully refurbished, repowered and upgraded baggage tractors and belt loaders.

The success of this trial has led to the purchase of 21 baggage tractors and 8 belt loaders, all fully refurbished and repowered, for multiple locations across the US. Deliveries have already started in Ontario and San Francisco Airports, and further units will be delivered to Cincinnati and Melbourne Orlando Airports in 2022.

The refurbished units not only allow us to reduce emissions and move closer to our goal of being carbon neutral by 2033, they also reduce fuel and maintenance costs, come at a lower cost compared to new assets and keep less material ending up at landfill.

A further benefit of the upgrades is the advanced safety features such as Plane Safe collision avoidance system, dynamic braking, seat belt inhibitor and inching system. This ensures a safer work environment for our employees and reduces the risk of aircraft damage.

We will continue to look for opportunities to refurbish and upgrade our existing equipment in 2022. Our close relationship with A&V Rebuilders, LEVCON and HPEVS has resulted in a partnership to supply us with lithium power conversion kits and it may soon be viable for us to refurbish and repower our own GSE in-house.

Almost all conventional ground vehicles at Amsterdam Schiphol now run on GTL fuel. This has significantly improved local air quality and with it the well-being of our staff. An additional benefit has been the increase in reliability, with particulate filters clogging less quickly than when using diesel.

The use of alternative fuels is seen as an intermediate step towards zero-emission vehicles and in 2022 the use of HVO will expand to our ground handling operations at Gothenburg Airport. Should this be successful, we will roll it out to other locations across out network. However, a major challenge is ensuring that our supply is from sustainable sources, and we will continue to work closely with responsible suppliers.

Aircraft Fuelling

With sustainable aviation fuels (SAF) playing a vital role in addressing climate change, Menzies is committed to decarbonising and partnering with our customers through the transition. We support the use of SAF for our airline customers where required and participate in trials and new initiatives. We were proud to support British Airways' first transatlantic flight following the lifting of US travel restrictions in 2021 by fuelling flight BA001 with a blend of 35% SAF, made from used cooking oil.

We have also become a signatory to the Clear Skies for Tomorrow Coalition Ambition Statement, and participant in the coalition workstreams. The Ambition Statement is a commitment from participants to align efforts to accelerate the supply and use of SAF technologies to reach a target of 10% of global jet aviation fuel supply by 2030.

Ensuring we operate to the highest safety standards is vital to achieving our goal of zero fuel spills.

Go Paperless

To further reduce our carbon emissions, reduce waste and minimise our environmental impact more generally, our Go Paperless initiative was created to focus on the removal of paper across all Group operations, including shared processes with our customers and partners, wherever possible.

During 2021, we implemented a system called Papercut to gain oversight and analyse printing across the Group. Whilst baselining our usage has been difficult with volumes returning throughout the year, this has enabled us to quickly identify simple changes, challenge the need for printing and is already having a positive effect. The Go Paperless initiative is supported a cross functional initiative led by our IT teams, with changes identified in ground services, fuel services, cargo services (including AMI) and central services.

Smaller initiatives have also been implemented including the introduction of reusable digital business cards made from recycled plastic. These were piloted successfully in 2021 and are now being rolled out across the Group. Some of our teams locally have also set up uniform swap shops.

Collaborating with our customers is critical to being able to change or digitise some of our shared processes. We are actively working with customers in both the cargo and ground services that we hope can be rolled out more widely to other customers in 2022.

Compensating for Our 2021 Emissions

During 2021, we partnered with ClimateCare, an established organisation with expertise in climate and sustainable development. With the help of ClimateCare, we selected socially responsible projects that cut carbon and also improve lives in countries where they are located. These include providing clean cookstoves in Bangladesh, afforestation initiatives in Mexico and rainforest protection measures in Indonesia. Our approach is to work on the removal of emissions from our operations wherever possible in order to becoming carbon neutral by 2033, our 200th anniversary but through supporting these projects now, we have been able to compensate for 43,000 tonnes of our 2021 global scope 1 and scope 2 carbon emissions, which equates to 48%. The projects selected are independently verified by an internationally recognised carbon standard, including the Gold Standard, Verra's VCS program and the UN Clean Development Mechanism (CDM).

climatecare

Compensated for 47.8% of our global Co$_2$e emissions in 2021 through supporting these projects.

Emissions reporting

In line with the Climate Change Act 2008, and the obligations imposed by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 (the regulations) and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the regulations) we are mandated to disclose the greenhouse gas emissions and energy use from our operations for the period 1 January 2021 to 31 December 2021, specifically:

SCOPE 1 EMISSIONS
Direct emissions from our operations, namely the combustion of fuel and operation of any facility; and

SCOPE 2 EMISSIONS
Indirect emissions from electricity purchased for our own use.

Our Emissions in 2021
Our gross scope 1 and 2 emissions have increased by 1% (1,000 tonnes of CO_2e) this year compared to 2020. However, emissions are still 30% (40,000 tonnes of CO_2e) lower than 2019, our last full year of operations and chosen base year. Lower operational volumes are a contributing factor to these lower emissions but to a lesser extent than in 2020, and our increases in electric and lower emission GSE will have reduced like-for-like emissions.

We yet to establish a reliable method to calculate our reduction in like-for-like emissions due to the number of operational variables involved. We have committed to setting Science Based Targets in line with the Business Ambition for 1.5°C campaign. This will allow us to enhance our emissions reporting and analysis in addition to developing transparent plans for achieving our carbon neutral goal.

The largest increase in emissions in 2020 were seen in USA, Mexico and Colombia. This corresponds to the return of flight volumes and increase in operations we have seen in these countries in 2021.

Methodology
Our emissions reporting is carried out in accordance with the UK Government's Environmental Reporting Guidelines and WBCSD/WRI's GHG Protocol Corporate Standard. We use a financial control approach and have measured our scope 1, 2 and certain scope 3 emissions.

We collect Scope 1 and 2 fuel and electricity data from our financial accounting system. At some smaller sites, who do not use this system, fuel and electricity data is collected manually from invoices and/or meter readings. 0.1% of data has been estimated as electricity usage data was not available for our office in Dubai and some AMI sites in the UK. There are no known exclusions from our Scope 1 and 2 emissions.

We also collect Scope 3 mileage data for hire cars and personal vehicles used for business purposes from our expenses system. This data is only available in the UK but will be expanded to other territories when possible. No other Scope 3 emissions are measured at the present moment.

We convert our data into CO_2e using conversion factors for fuel issued by the Department for Business, Energy, and location-based conversion factors for electricity issued by the Industrial Strategy (BEIS) and International Energy Agency (IEA).

Global and UK Emissions and Underlying Energy Use

	BASELINE YEAR 2019			PREVIOUS REPORTING YEAR 2020			CURRENT REPORTING YEAR 2021		
	GRAND TOTAL	UK	GLOBAL (EXCL. UK)	GRAND TOTAL	UK	GLOBAL (EXCL. UK)	GRAND TOTAL	UK	GLOBAL (EXCL. UK)
SCOPE 1 & 2 EMISSIONS (TONNES OF CO_2E)									
SCOPE 1 – COMBUSTION OF FOSSIL FUELS	**107,797**	13,477	94,321	**70,906**	8,646	62,260	**69,424**	5,777	63,647
SCOPE 2 – ELECTRICITY PURCHASED FOR OWN USE	**22,287**	1,073	21,214	**17,882**	1,419	16,464	**20,418**	383	20,035
TOTAL	**130,085**	14,550	115,535	**88,788**	10,065	78,723	**89,842**	6,159	83,682
INTENSITY RATIO (SCOPE 1 & 2 EMISSIONS/METRIC)									
TONNES OF CO_2E/$000 REVENUE	**0.08**	0.04	0.09	**0.08**	0.05	0.09	**0.07**	0.03	0.07
TONNES OF CO_2E/FTE	**4.20**	2.31	4.68	**5.22**	3.35	5.62	**4.28**	2.57	4.50
SCOPE 3 EMISSIONS (TONNES OF CO_2E)									
HIRE CARS & PERSONAL VEHICLES USED FOR BUSINESS	Not calculated for 2019			Not calculated for 2020			**9**	9	Not calculated
OFFSETS & NET EMISSIONS (TONNES OF CO_2E)									
OFFSETS	**(2,233)**			**(0)**			**(43,000)**		
NET EMISSIONS	**127,851**			**88,788**			**46,860**		
UNDERLYING ENERGY USE (KWH)									
TOTAL	Not calculated for 2019			**360,669**	39,448	321,221	**370,606**	24,245	346,360

1. 2019 and 2020 Scope 1 and 2 emissions and underlying energy use figures are different to those reported previously. This is due to:-
   a. an adjustment of the conversion factor used for diesel off-road from 'Diesel 100% mineral oil' to 'Gas oil (also known as red diesel)',
   b. correction of two previously unidentified errors in Sydney & London Gatwick in 2020.
2. The 2019 and 2020 tonnes of CO_2e/revenue intensity ratio figures are different to those reported previously. This is due to the Group's change in presentational currency, to reporting in US dollars rather than British pounds.

As in 2020, ITPEnergised were appointed to provide independent assurance about the accuracy and completeness of our emissions reporting and to confirm we meet the requirements of the UK Government's Streamlined Energy and Carbon Reporting (SECR) legislation.

Base Year
We have chosen a base year of 2019 as this was the last full year of operations prior to the Covid pandemic. Our current policy for base year recalculation is to re-evaluate our base year when the business has returned to full operations post Covid. At this point we will be able to account for the operational changes and growth that has taken place since 2019.

Targets
Our emissions reduction target is to be carbon neutral in global scope 1 and 2 emissions in tonnes of CO_2e by 2033.

In 2021, we committed to setting clear, science based targets and create transparent plans for achieving these as part of the Science Based Targets initiative and Business Ambition for 1.5c campaign. We participated in the UN's Climate Ambition Accelerator programme and intend analysing our scope 3 emissions during 2022 before setting verified goals across scope 1, 2 and 3 at the end of this year. Our 'All In' strategy and delivery of our associated carbon reduction goals is overseen by the Director of Corporate Affairs, supported by the Head of Sustainability and Corporate Responsibility.

Intensity Measurement
We use the metric of gross global scope 1 and 2 emissions in tonnes of CO_2e per $000 revenue as this is a reliable business metric for all service offerings. This intensity measurement has reduced marginally between 2021 and our baseline year of 2019, reflecting the changes in our business volumes and revenue. A truer picture on how well our carbon reduction measures are reducing our emissions and therefore intensity ratio will be clearer in 2022, where we hope to have more stability in terms of business volumes and operations.

For 2021, we have introduced a metric and core KPI of gross global scope 1 and 2 emissions in tonnes of CO_2e per full-time equivalent (FTE) employee. This intensity measurement provides good insight on and alignment between efficiency, volumes and carbon usage. Taking a retrospective look back, we can see our 2020 figures spiked as expected due to Covid measures still disrupting operations and as our operations were scaled back. 2021 figures are reflective of a return in business volumes and scaling of our operations. 2022 should provide greater insight as to the efficiency of our operations and how well we are starting to reduce carbon emissions, however, may also be skewed by growth.

External Assurance Statement
Menzies Aviation appointed ITPEnergised to provide independent assurance and verification of their 2021 greenhouse gas emissions (GHGs) that are reported in this Annual Report and Accounts 2021. Verification has been undertaken using the principles in BS EN ISO 14064-3:2012 for GHG verification. The WBCSD/WRI GHG Protocol and the DEFRA Corporate GHG Reporting Guidance were also referenced during the limited assurance process. Recommendations for improvement will be made on the basis of potentially significant findings from the GHG assurance process.

ITPEnergised is an independent professional services company that specialises in environmental and energy consulting and advisory services. ITPEnergised operates a certified Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our assurance team has not been involved with Menzies Aviation business activities or had any involvement in data gathering.

Electricity and Heat Generation
We have not generated any renewable electricity, exported any electricity to the grid, or generated any heat.

Geographical Breakdown

Increasing ∧ Decreasing ∨ No change >

COUNTRY	SUM OF CO_2E (TONNES)				
	2019		2020		2021
AUSTRALIA	5,507	∨	4,980	∨	4,415
BERMUDA	402	∨	184	∨	81
CANADA	24,245	∨	22,101	∨	18,262
CHINA (MACAU)	2,793	∨	1,351	∨	1,128
COLOMBIA	3,028	∨	1,461	∧	2,974
CYPRUS	–	>	–	∧	30
CZECH REPUBLIC	2,959	∨	1,987	∨	1,587
DENMARK	584	∨	203	∧	253
DOMINICAN REPUBLIC	445	∨	99	∧	205
FRANCE	422	∨	212	∧	382
GERMANY	10	∨	1	>	–
HUNGARY	876	∨	510	∧	667
INDIA	1,553	∨	1,125	∧	1,589
INDONESIA	–	∧	137	∨	97
IRELAND	200	∨	71	∧	77
MEXICO	4,959	∨	2,945	∧	4,230
NAMIBIA	309	∨	9	∨	3
NETHERLANDS	3,996	∨	3,105	∨	2,931
NEW ZEALAND	1,763	∨	1,023	∨	860
NORWAY	917	∨	292	∨	251
PAKISTAN	–	>	–	∧	153
ROMANIA	1,784	∧	2,755	∨	2,641
SOUTH AFRICA	2,821	∨	1,214	∧	1,761
SPAIN	1,921	∨	469	∨	404
SINT MAARTEN	445	∨	197	∧	290
SWEDEN	609	∨	418	∨	326
THAILAND	176	∨	104	∨	24
UAE	2	>	2	>	2
UNITED KINGDOM	14,550	∨	10,065	∨	6,169
USA	52,804	∨	31,770	∧	38,059
TOTAL	130,085	∨	88,788	∧	89,851

Health, safety & security

The safety and security of our operations and our People is our number one priority, reflected in our purpose, our values and our strategy.

OUR SAFETY GOALS

Zero injuries
Improve and increase hazards and near miss reporting by introducing frictionless reporting and loss time reporting.

Zero damage
Invest in technology to improve safety such as SmartDrive and immersive 360-degree videos. Engage employees through gamification and continually promote our Golden Rules.

Improve our safety culture
Continue to embed the MORSE code and charter across our network to create a positive safety culture. Focus on mentoring, improving supervision and oversight, and managing risk training.

We aim to lead the way and set the highest health, safety and security risk standards by evolving our safety practices and embedding a safety mindset everywhere we operate. We want our people to feel safe in their working environment by providing the training and tools required to do their job safely and securely. Creating safe and secure environments for our People, customers and other airport users is core to ensuring sustainable growth and success.

The Menzies Operating Responsibly Safely Effectively (MORSE) Code and Charter help to create a positive safety culture. The MORSE principals and messages are embedded throughout our global network and help our People make the right decisions.

This is supported by our detailed health, safety, security policies, standards and processes contained within our manuals. Our Menzies Ground Operations Manual and Menzies Cargo Handling Manual fully align with the International Air Transport Association (IATA) respective manuals ensuring we continue to coordinate all of our procedures and quality materials to the highest industry standards.

In 2021 we collaborated with the IATA Ground Operations Standards Task Force, IATA Ground Operations Council, contributed to (EU) Regulation on Ground Handling, and held the Safety Chairperson post for the Airport Services Association. In addition, we successfully renewed our IATA Safety Audit for Ground Operations registration, entailing an audit of all central policies, procedures, training and quality management

Good governance and oversight are key to managing our risks and incidents, while also measuring progress and success. Our Risk team holds interactive Safety and Security Action Group sessions with senior colleagues across all of our regions where we share learnings from real incidents and identify trends to focus on.

The Group's Operational Risk framework is underpinned by our 8 Pillar and 5 Star Programmes from which our Group Operational Risk Register is derived. The 8 Pillar Programme prescribes the minimum standards that are expected throughout our operations, whilst the 5 Star Programme allows us to audit on what matters the most and drives improved compliance behaviour.

Our Covid safety response plan has continued to protect everyone in our working environments by adhering to local guidelines and best practice processes such as PPE and cleaning. With passenger flight volumes gradually returning, we have ensured returning and new employees have the necessary skills, training and knowledge to complete their tasks safely and securely.

We are on mission to transform our safety culture from people following the rules because they have to, to following the rules because they want to. Positive reinforcement by recognising people who are doing the right thing will help this transformation and was central to our annual MORSE month held in November. We provided resources for teams including wellbeing activities and ran a video competition to bring our MORSE code to life.

Airports are, by their nature, high-risk environments. We are utilising innovative technology to help reduce the risk for our People and other airport users. All fuel tankers in the USA and Canada were fitted with SmartDrive technology, which records clips of driving manoeuvres triggered against a 75-point checklist every time the vehicle is operated enabling one-to-one coaching with drivers. Simple in its approach, the MDrive to Zero Damage programme focuses employees' minds on key messages that were developed based on data from driving incidents. SmartDrive and MDrive have resulted in a dramatic improvement and reduction of incidents – the key game changers being coaching, development and celebrating positive behaviour.

Looking ahead to 2022, we are focused on embedding our 10 Golden Rules which help guide everyone's actions and reinforce our health and safety policies. We have also engaged with the UK Centre Protection of National Infrastructure to benchmark and further enhance our insider risk management programme to reduce the vulnerability of threats such as terrorism, espionage and sabotage.

Reduction in serious employee injuries per 100 FTEs in 2021

-47%

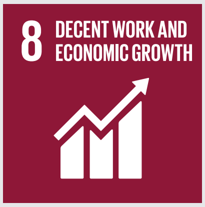
against previous year

Serious aircraft damage incident rate per 1,000 turns in 2021

0.013

-13% reduction against previous year

UN SDG Alignment



New gamification platform

The Morse Challenge – Unlock the Code

We launched an online gamification platform designed to get our people thinking about safety in a fun and competitive way by doing safety and security quizzes against the clock to climb up virtual leader boards. Gamification can help deepen understanding of key safety topics as it's a form of micro learning that boosts knowledge in an engaging way. The MORSE Challenge – Unlock the Code is mobile friendly so our people can do the quizzes when and where it suits them.

Task Force on Climate-related Financial Disclosures

We are pleased to share the Group's first report under the new Task Force on Climate-related Financial Disclosures (TCFD) framework. We have made disclosures consistent with each of the Governance and Metrics and Targets recommendations and partially consistent with each of the Strategy and Risk recommendations, as we are planning on further integrating climate risk and opportunity management into our overall risk management and performing a more detailed risk assessment and scenario analysis in 2022. Further details of each disclosure are outlined on the information and table that follows.

To help facilitate the implementation of the TCFD framework this year, we have engaged TCFD and climate specialists, Top Tier Impact Strategies. This has proved valuable and has helped us lay strong foundations for developing and maturing our approach going forward, particularly around scenario planning. The progress we have made this year through progressing key initiatives further demonstrates our commitment to sustainability, ensuring resilience and growing responsibly by placing a climate lens over our business operations, strategy and approach to governance including risk and decision-making. We are particularly proud of our commitment to setting science based targets, as part of developing our existing goal of becoming carbon neutral by 2033, and our participation in the UN Climate Ambition Accelerator programme. At our operations we have analysed and identified ways of reducing paper usage throughout our network and we continue our commitment to increase our electric motorised ground support equipment fleet.

Climate risks and opportunities
Our TCFD framework implementation process has resulted in the management and Board understanding the qualitative impacts of climate change on Menzies in the short, medium, and long-term time horizons using scenario planning as a strategic tool. We will be delving deeper into this analysis over the next 12 months, which will include quantifying the impacts and setting a strategic direction to mitigate climate risks and maximise the opportunities available. The high-level key climate related risks and opportunities we have identified through our strategic reviews and with the help of our consulting partners are as follows:

Transition Risks and Opportunities
Risks
- Implementation of a carbon price and other taxes may have a direct financial impact should Menzies be unable to reduce its carbon emissions, as well as our competitors (Medium-/ Long-term).

Scenarios, Climate Risks and Opportunities

Scenarios

As part of the implementation of the TCFD framework, we held a number of meetings and workshops with various stakeholders across the business to identify and discuss material climate-related risks and opportunities, identifying key scenarios. Our discussions concentrated on the time period to 2030, which we further split into short-term (to 2023), medium-term (to 2026) and long-term (to 2030.

We developed two transition scenarios in respect of climate change as described below:

1) Where governments and regulators lead the energy transition aligned with the Paris agreement and impose various policy measures consistently over this decade. This scenario envisages rapid action in respect of Net Zero targets and implementation of mechanisms such as carbon pricing and financial incentives for decarbonisation especially for the aviation sector.
2) Where there is a social tipping point that impacts on the aviation sector beginning with developed economies. This scenario envisages a drop in passenger numbers and drastic measures by governments towards end of this decade and a low carbon price until middle of this decade with growing investor and wider stakeholder focus on the aviation sector.

We also carried out physical climate risks assessment according to the latest climate science of our top 30 airport locations.

One of the outputs from the scenario analysis and planning exercise is to further develop the strategic impacts over the coming months, which will be laid out in further detail next year. We also intend undertaking further analysis at a granular level in respect of financial and strategic impacts of climate change, which will be similarly communicated.

- Fast changing consumer attitudes especially in developed European markets, may impact on flight volumes and result in cost pressures from our customers where there are already tight contractual margins (Medium-term).
- Uncertainties around decarbonisation technologies for the aviation sector and supporting infrastructure in some locations may inhibit our ability to meet our own carbon reduction targets and the required pace of change, as well as government targets. (Short-/ Medium-/Long-term).

Further details of the principal climate-related risks identified can be found within the 'Principal Risks and Uncertainties' section on pages 36 to 39 of this Annual Report and Accounts 2021.

Opportunities

- Energy efficiency and decarbonisation actions in operations faster than our competitors, and enabling our customers to achieve their targets faster.
- Leading the market with a robust sustainability strategy and collaborating with our aviation partners to take action, implement change and increase our resilience.
- Accessing grants and subsidies for decarbonisation technologies to offset the level of investment required in new training, technologies and equipment to support delivery of our carbon reduction goals as well as support the goals of the aviation sector more widely.
- Building a climate resilient strategy to attract relevant capital.

Physical Risks

We carried out a comprehensive physical risks assessment of the top 30 airport locations we currently work from the basis of the latest climate science including the Working Group I contribution to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change published in August 2021. This study has highlighted a relatively low number of locations prone to physical risks namely coastal flooding, sea level rise, heat stress and drought in certain regions and locations on periods up to 2050, although no locations were at risk in the short term. We will carry out physical risks assessments of all new airport locations in the future to ensure any potential risks are identified and considered within the business case.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (CONTINUED)

GOVERNANCE	DISCLOSURE	REF
BOARD OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES	During 2021, a TCFD Working Group was formed that included the Director of Corporate Affairs. climate risks and opportunities identified were communicated to the Executive Management Board, and the Company's Board oversight was achieved via the Director of Corporate Affairs, as well as through our risk management processes, captured and discussed with the Audit and Risk Committee. Going forward, a new ESG committee will be formed in March 2022 and the TCFD Working Group amalgamated into this. The ESG Committee will identify ESG-related opportunities, risks, liaise and collaborate with external stakeholders, and oversee implementation of sustainability initiatives. It will work closely with the Risk Committee, ensuring that all climate-related risks are captured in our enterprise risk management approach. The ESG Committee will meet quarterly and report to the Executive Management Board through the Head of Sustainability & Corporate Responsibility and Director of Corporate Affairs. Progress updates will also be made to the Executive Management Board through monthly business performance review updates. Board oversight will be achieved via review of the Sustainability Strategy and via the Audit and Risk Committee. Annually the Board will receive a formal update on the Sustainability Strategy and progress towards our targets. Further details of our governance structure can be found within the Principal Risks section of this Annual Report and Accounts 2021.	Pages 33 – 34
MANAGEMENT'S ROLE IN ASSESSING AND MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES	Senior management and the Director of Corporate Affairs have been directly involved in our scenario planning exercise and assessment of opportunities and risks as part of the TCFD Working Group, as well as participating and the shaping of our Sustainability Strategy and initiatives. This included awareness sessions led by Top Tier Impact Strategies on climate change and external factors. Scenario planning outputs including climate-related risks and opportunities have also been reviewed with our Executive Management Board. The Executive Management Board have been informed regularly of progress with our Sustainability Strategy throughout the year and have been involved in and supported key initiatives and opportunities and collaborations. Members of senior management have been assigned appropriate climate-related targets focused on reducing Scope 1 and 2 greenhouse gas (GHG) emissions. These will be reassessed and reset for 2023, following more detailed scenario planning, Scope 3 accounting and setting of science based targets.	Page 40
STRATEGY	**DISCLOSURE**	**REF**
SHORT, MEDIUM AND LONG-TERM CLIMATE-RELATED RISKS AND OPPORTUNITIES	We have carried out a comprehensive materiality assessment of climate risks and opportunities relevant to our business model to understand high-level strategic and financial impacts of these issues over short, medium and long-term time horizons (referenced within the 'Climate risks and opportunities' section on page 62). Further detailed analysis will be carried in 2022, which will include a more detailed risk assessment of the risks identified to greater understand financial impacts and materiality in the short, medium and long-term timeframes.	Pages 38 – 39 and 62
IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON OUR BUSINESS, OUR STRATEGY AND OUR FINANCIAL PLANNING	Net Zero aligned government legislation and changing consumer attitudes towards the aviation sector may have a long-term impact on our business. We will carry out detailed analysis on climate-related risks and opportunities in 2022 and monitor changes to external impacts, to understand granular strategic and financial impacts, which will better enable us to consider and implement any adjustments to our strategy. This will be reported on in more detail in our next Annual Report and Accounts. We already take an 'electric first' approach to all investment decisions around new ground support equipment.	Page 42

STRATEGY	DISCLOSURE	REF
THE RESILIENCE OF OUR STRATEGY TO DIFFERENT CLIMATE-RELATED SCENARIOS, INCLUDING A 2C OR LOWER SCENARIO	As part of the TCFD implementation process, we undertook scenario analysis including one scenario aligned with Paris agreement. Although the aviation sector is under pressure due to climate-related matters, the results of scenario analysis have confirmed no major risks to our strategy in the short to medium term at this time. That said, reviewing our strategy with a climate lens taking into account climate-related risks and impacts in investment decisions is activity we are taking now, as noted above, to better consider any adjustments we need to make. We intend further reviewing our strategy against the scenarios identified and short, medium and long-term timeframes to understand the resilience of our strategy and will continue to do so on at least an annual basis, including any new material scenarios as they arise. We believe our focus on reducing our carbon emissions and collaborating with our industry partners on implementing change, new infrastructure and supporting each other to achieve our goals, coupled with continuing to develop our mix of aviation services and varied geographies we operate in will ensure our continued resilience in the short to medium term.	Page 62
RISK	**DISCLOSURE**	**REF**
OUR PROCESSES FOR: A) IDENTIFYING AND ASSESSING CLIMATE RELATED RISKS; B) MANAGING CLIMATE-RELATED RISKS; AND C) HOW OUR PROCESSES ARE INTEGRATED INTO OUR OVERALL RISK MANAGEMENT	We identify and assess climate-related risks within our existing risk management processes and details of climate-related principal risks are detailed within the Principal Risks and Uncertainties on page 36 of this Annual Report and Accounts 2021. We are currently implementing a new comprehensive Enterprise Risk Management (ERM) system. Climate risks and opportunities will be managed and fully integrated within our updated ERM processes and are already a core part of our risk assessment processes. Further details of our risk governance structure, risk management framework including details of our approach to identifying, assessing, and managing risk, including integrating climate-related risks, can be found on pages 36 to 39 of this Annual Report and Accounts 2021.	Page 36
METRICS AND TARGETS	**DISCLOSURE**	**REF**
METRICS USED TO ASSESS OUR CLIMATE-RELATED RISKS AND OPPORTUNITIES IN LINE WITH STRATEGY AND RISK MANAGEMENT PROCESSES	Scope 1 and 2 GHG emissions are disclosed in the Responsible Business section of this Annual Report and Accounts 2021, and we will be carrying out the Scope 3 accounting exercise in 2022. We have plans to engage with our supplier population on understanding their GHG emissions, climate risks and potential impacts on our own operations. Further metrics and targets will be devised through the implementation of the TCFD recommendations and as a result of setting our science based targets in 2022. These will be included within the Sustainability Strategy and reflected within appropriate employment key performance indicators (KRAs) including senior management, as well as long term incentive plans.	Page 43
OUR SCOPE 1, SCOPE 2 AND IF APPROPRIATE, SCOPE 3 GREENHOUSE GAS (GHG) EMISSIONS, AND THE RELATED RISKS	GHG emissions are disclosed in the Responsible Business section of this Annual Report and Accounts. As referenced above, we are undertaking a Scope 3 analysis and accounting exercise in 2022 with the aim of setting verified science-based targets. We have plans to engage with our supplier population on understanding their GHG emissions, climate risks and potential impacts on our own operations.	Pages 40 – 41
TARGETS TO MANAGE OUR CLIMATE-RELATED RISKS AND OPPORTUNITIES AND PERFORMANCE AGAINST THESE TARGETS	We measure and track our Scope 1 and 2 GHG emissions as we work towards our current 2033 target of becoming carbon neutral. We have also introduced a new KPI measuring Scope 1 & 2 Co_2e tonnes per FTE. Our GHG emissions data and new KPI can be found on pages 15 and 16 of this Annual Report and Accounts 2021 respectively. Once further metrics and targets have been devised through the implementation of the TCFD recommendations, scenario analysis and setting of science based targets, performance metrics will be further developed as both KRAs as well as renewed targets and metrics for our senior and executive management teams.	Page 42

SECTION 172 STATEMENT

S172 COMPANIES ACT 2006

Set out in the below table are our key stakeholder groups, detailing how the Board has considered the issues and factors that impact them and how engagement has impacted Board decisions and Company strategies during the 2021 financial year.

STAKEHOLDERS	SIGNIFICANCE TO BUSINESS	KEY ISSUES AND FACTORS
SHAREHOLDERS	The Board is accountable to its shareholders and must act in a way that is likely to promote the success of the Company for the benefit of its members as a whole. The Company seeks to maintain effective dialogue with its shareholders and shareholder bodies, to ensure that their views and any concerns they may have are understood and considered.	Based on the Board's own assessment and feedback received during the 2021 financial year, the Board understands that the following are the key concerns of our shareholders: • The Group's operations and strategies. • The Group's financial performance and commercial success. • Opportunity for dialogue with Executive and Non-Executive Directors on key matters such as financial performance and executive remuneration. • The Group's ESG strategy and implementation of Task Force on Climate-related financial disclosures (TCFD) framework. • The process by which capital is allocated to drive long term shareholder value.

ENGAGEMENT	EXAMPLES OF DECISION IMPACTED BY THE ENGAGEMENT	LINKS
Engagement with our shareholders is led by the Executive Chairman and Chief Executive Officer, Deputy Chairman and the Executive team via a variety of methods and forms, including: • Due to social distancing and 'stay at home' restrictions implemented due to Covid, shareholder questions were submitted via email and answered by Directors in advance of the 2021 AGM held. Directors also held a number of telephone and video calls with various shareholders after the AGM. • Interim and year end results road shows (held virtually in March 2021 and by a combination of virtually and in-person meetings in September 2021) were led by the Executive team, followed by detailed investor one-to-one sessions. • Periodic trading updates issued to the market. • Executive team held in-person investor days in Amsterdam, Heathrow, Saudi Arabia, United Arab Emirates and Scandinavia. • Virtual meetings were held with current and new shareholders following the successful execution of a placing, subscription and retail offer made on the PrimaryBid platform of new ordinary shares of £0.25 each and which raised gross proceeds of approximately £22m for the Company. • David Garman, the Deputy Chairman and Remuneration Committee Chair held a series of virtual meetings with the Company's major shareholders to obtain feed-back on their views on the proposed 2022 new Directors' Remuneration Policy (New Policy) prior to this being put to shareholders to vote in 2022. • Following a number of preliminary and unsolicited proposals from National Aviation Services Holding for Company's Business Management (Holdco) S.P.C. (NAS), to acquire the entire and to be issued share capital of the Company in cash at a price of 460 pence and then 510 pence announced on 9 February 2022 (the Proposal), the Board engaged with shareholders to understand their views on the Proposal. • As part of the implementation of the TCFD framework in 2021, we held a number of meetings and workshops with stakeholders across the business to identify and discuss material climate-related risks and opportunities, identifying key scenarios. Our discussions concentrated on the period to 2030, which we further split into short-term (to 2023), medium-term (to 2026) and long-term (to 2030).	• The Strategic Committee continued to review, and where appropriate recommend to the Board for final approval, commercial proposals resulting in material allocations of the Group's capital and investment in new and emerging markets such as Serbia, Montenegro, Costa Rica, El Salvador and Guatemala. • Feedback from engagements influenced and guided the Group's revised strategy and portfolio balance evidenced by significant new cargo contract won with Avianca at Miami International Airport, the largest cargo contract in the Group's history and additional contract wins with Avianca in Los Angeles, Toronto and Amsterdam. • Following shareholder and shareholder advisory body feedback, rebalancing of the Board's independence with the appointment of Henrik Lund as a new independent Non-Executive Director with extensive global leadership and industry experience, ensuring compliance with the UK Corporate Governance Code (July 2018). • Incorporating the views of shareholders in the proposed New Policy, to ensure the terms of new long-term incentive arrangements measure performance against specific key result areas and is aligned to shareholders' interests by creating sustainable long-term value. • The Board engaged with its shareholders following the receipt of a final proposal of 608p from NAS (Final Proposal). The Board considered the Final Proposal and indicated to NAS that it would be willing unanimously to recommend an offer at the financial terms of the Final Proposal to shareholders subject to the satisfactory resolution of all the other terms of the offer, including the approach to the customary regulatory approvals required to complete any transaction. • Our TCFD framework implementation process resulted in senior management and Board understanding the qualitative impacts of climate change on the Company in the short, medium, and long-term time horizons using scenario planning as a strategic tool. More information on the Company's sustainability and TCFD framework can be found on pages 62 to 66 of this Annual Report and Accounts 2021.	Corporate Governance Statement pages 78 – 98 Remuneration Committee Report pages 106 – 117 CFO Statement pages 29 – 31 Business Model pages 12 – 13 Strategy pages 14 – 15 TCFD Disclosures pages 62 – 66

STAKEHOLDERS	SIGNIFICANCE TO BUSINESS	KEY ISSUES AND FACTORS
CUSTOMERS	Delivering a service that meets the needs of our customers in all of the markets that we operate is fundamental to our success.	Based on the Board's own assessment and feedback received during the 2021 financial year, the Board understands that the following are the key concerns of our customers: • Competitive pricing structure. • Our long-term viability as a supplier. • Our safety incident record. • Our ability to improve and advance our service offering in an environmentally sustainable manner. • Innovative solutions.
OUR EMPLOYEES	We have over 27,000 experienced, diverse and dedicated people who develop our culture and generates a place that people want to be a part of. We rely on our people to uphold our vision, values, and culture, deliver on our strategic priorities to help create long term sustainable value for our shareholders and stakeholders with the highest levels of safety and security.	Based on the global employee engagement survey conducted during the 2021 financial year, the Board noted the following key themes raised by employees: • Development of a scheme to recognise the good work done by employees in their workplace. • Development of measures to support the health and wellbeing of employees. • Expanding the career development offering so that more people can access training to facilitate career progression.

ENGAGEMENT	EXAMPLES OF DECISION IMPACTED BY THE ENGAGEMENT	LINKS
Continued focus on customers, with the Board receiving regular updates on the business's customer profile. The Executive team and senior management engaged directly with customers and their senior leadership teams on several occasions and covering a variety of topics such as: • Implementation of new technology to drive operational innovation and increase safety. • Review and improvement of Covid operational and safety measures to ensure that our staff and the staff of our customers work in a safe and secure environment. • Customers' operational schedules and interim pricing plans during the Covid pandemic. • Covid vaccine handling and distribution. • Progress made regarding global master agreements with key customers. • The Executive team and senior management engaged with customers, suppliers, and other stakeholders at aviation industry conferences in Europe and during business trips to the Middle-East and Central America.	• Additional Investment in airside safety technology such as SmartDrive and Tow Team Warning System to strengthen the safety and security of our customers and employees. • Utilisation of robotic process automation, transforming our internal audit planning process to an enhanced risk focus, in order to appropriately prioritise the areas identified as being of greatest risk. • Implementation of an insider risk framework recommended by the Centre for the Protection of National Infrastructure to reduce the insider risk threat. • Development of the Group's commercial structure to continue to improve bid management process to better align our service offering with customer objectives. • Developing our global master agreements with key customers facilitating a smoother contractual interface, increasing our ability to secure future contract wins, whilst meeting our customers' specific needs. • Obtaining IATA certification to handle time and temperature sensitive pharmaceutical products at Heathrow Airport and Budapest Ferenc Liszt International Airport. • Continued work to reshape our fleet of ground support equipment with a focus on removing older, less environmentally friendly vehicles and replacing them with electric vehicles, where possible.	CEO & Chairman's Statement pages 6 – 7 Strategy pages 14 – 15 Risk Management Report pages 32 – 39
The Board constituted HR Committee allows for regular overview and input to matters important to our people and initiatives across the Group. While travel restrictions eased in some of our locations, members of Executive management took the opportunity to visit our employees at our operations in Mexico and Colombia. This was a welcome opportunity to engage directly with our employees to hear and discuss matters that are important to them in the workplace. For the second year in a row, our employee survey was launched globally, with a significant uptake in engagement. We refocused our question set to measure performance against our people strategy; a great place for our people to work, growing our own talent and getting the basics right and employee advocacy for Menzies as an employer. We also introduced more regional flexibility with the addition or region-specific questions focusing on topics which matter most in each geography e.g diversity in the UK and retention in the US. We saw an increase in participation to 30% up from 19% in 2020 and we expect to build on this progress with our next survey in 2022. The Board considers this to be the most effective way to ensure that the employee voice is heard, particularly given how widely spread our workforce is across the globe.	The Board endorsed management's commitment to the following areas, based on the feedback received from employees. • Launch of our employee values to define the behaviours and actions which will be recognised: safety, teamwork, integrity, agility and customer focus. • Ensure managers and employees have the tools they need to recognise each other's good work e.g certificates linked to each value. • Ensure great work is recognised and rewarded by senior leaders with a Menzies Awards Ceremony. • Launching a global wellbeing hub that is hosted on our 'We are Menzies' webpage. Our leaders and front-line colleagues are able to access a number of guides, videos and information on anything from physical to mental and social wellbeing. • Regional wellbeing campaign posters and leaflets, raising awareness of the newly created wellbeing hub. • Creation of a 'Wellbeing Week' with a dedicated page hosted on the employee intranet which provided information on wellbeing, competitions and gave an insight into what our colleagues do to keep fit and healthy. • A video-based awareness campaign was launched to remind our teams that sometimes 'it's ok, not to be ok'. The video featured our management and other colleagues in their own environments talking about the importance of wellbeing.	Responsible Business pages 40 – 65 HR Committee Report pages 102 – 105

STAKEHOLDERS	SIGNIFICANCE TO BUSINESS	KEY ISSUES AND FACTORS
SUPPLIERS	Strong working relationships with our suppliers is crucial to the effectiveness of our entire operation, enhancing our efficiency and creating value.	Based on the Board's own assessment and feedback received during the 2021 financial year, the Board understands that the following are the key concerns of our suppliers: • Ability to create effective longstanding relationships that are mutually beneficial. • Negotiation of favourable payment terms. • That the Group acts ethically, fairly and transparently ensuring the integrity of its supply chain. In addition, the Group expects its suppliers to demonstrate their own commitment to acting ethically, fairly and with integrity, helping to add value and ensure a solid and sustainable supply chain.
LOCAL COMMUNITIES AND THE ENVIRONMENT	We rely on, and aim to make a positive impact on, the local communities and environments in which we operate, as well as the environment and climate change more generally, wherever possible.	The Board understands that the following are the key concerns of our local communities and wider stakeholder population including employees, customers and shareholders: • Job opportunities and impact on the local economy. • Our impact on the environment and the promotion of sustainable ways of working. • Demonstrating good corporate citizenship and supporting communities. • Disclosure of our approach to including identifying and managing climate risks for our business. • Disclosure of our approach to material ESG topics generally.
DEBT PROVIDERS	By providing funds for the Group's working capital and general corporate purposes, our debt providers play an important role in our business.	• The Group's operations and strategies. • The Group's financial performance and commercial success. • Compliance with agreed covenant structure.

ENGAGEMENT	EXAMPLES OF DECISION IMPACTED BY THE ENGAGEMENT	LINKS
• We continue to strengthen the relationships we have with our suppliers across all our service offerings and global network. • Suppliers are provided with our Third Party Code of Conduct, clearly communicating the expected standards of behaviour. • We continue to work with key suppliers to establish long term strategic relationships.	• The Board is supportive of the Company's commitment to long term strategic relationships with our closest supplier partners, increasing the cost efficiency and integrity of our supply chains across our network. • We are working with our suppliers to ensure that they operate in line with our third Party Code of Conduct requirements. We also include relevant contractual provisions within our suppler contracts to ensure the standards in our Third Party Code of Conduct are maintained. Changes to our due diligence criteria and processes for engaging with and assessing our suppliers will take place during 2022, including implementation of a new supplier onboarding system and updating our existing Third Party Code of Conduct, reflecting our commitment to our sustainability programme and our continued commitment to ensuring an ethical supply chain generally.	Business Model pages 12 – 13 Responsible Business pages 40 – 65
• We supported local communities through our initiatives with furloughed staff, working closely with companies in other sectors, including the food sector, and with mail and vaccine distribution efforts, to provide essential service during the pandemic. • We provided support to employees and their families particularly affected by Covid through the John Menzies Benevolent Fund trust. • We undertook a materiality assessment across ESG topics, engaging with stakeholders both internally and externally to help us identify our priorities in these areas. • We supported charitable organisations including Trees for Life and Social Bite.	• The Board is committed to continuing to develop our Sustainability Programme during 2021 including development of our sustainability strategy, targets and identifying and implementing changes and initiatives across our global business that will deliver value, engage our employees and our customers, and reduce our impact on the environment, including our carbon footprint. • The Board plans to increased further its engagement and disclosures relating to climate risk and sustainability in 2022 and has committed to setting science based targets as part of being a signatory to the UN Global Compact. • The Board committed to supporting local communities and we will look at new ways and opportunities for this. • The Board has continued its support of management to focus on the development of and investment in innovative and environmentally sustainable solutions and equipment.	Responsible Business pages 40 – 65
The Group's committed debt facilities are provided by a syndicate of lenders. Maintaining a close and supportive relationship with these lenders led by the Chief Financial Officer and Group Treasurer. During 2021 these relationships were strengthened by: • Monthly reporting on financial performance. • Frequent update meetings held between the syndicate of lenders and the Executive Team and senior management. • Invitations to interim and final year end results.	Regular engagement with Group's syndicate of lenders during 2021 enabled the Company to continue to use the revised covenant structure that was put in place in 2020. As a result of the regular engagement with Group's syndicate of lenders, approval was given for additional Coronavirus Aid, Relief, and Economic Security Act funding to be received in 2021.	CFO Statement pages 29 – 30

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S INTRODUCTION TO CORPORATE GOVERNANCE

Evolution of our governance

Our people and our customers are key to our success as a business and they form an integral part of the success of our strategy.

Philipp Joeinig
Chairman & CEO
8 March 2022

"It is my firm belief that all of our people have a role to play in delivering our growth plans, and I take great pride in the lengths to which our people go to ensure the delivery of critical services to our customers safely and securely."

Dear Shareholder,
On behalf of the Board of John Menzies plc, I am pleased to introduce our Governance Reports for the financial year ending 31 December 2021. As you will see, these reports provide information on the workings of the Board and its Committees, together with details of our systems of internal control and risk management and describe how the Company has applied the principles of good corporate governance contained in the UK Corporate Governance Code (July 2018) (the Code).

It is the role of the Board to shape and drive the direction of the Group and oversee the delivery of its business objectives and execution of its strategy. Our reshaped business is emerging from the pandemic in a strong position to deliver a profitable future. The significant turnaround in our profitability has been driven by the difficult decisions taken regarding the Company's cost base, new and significant business wins, entry into new and emerging markets and continued support from government schemes. The work undertaken in prior years has provided a solid foundation for the Group to provide its stakeholders with sustainable value. As we continue to deliver against our five strategic pillars, I believe that the Group has the potential to substantially increase its revenue and widen its operating margin. More details on Company's strategic pillars can be found on pages 14 to 15 of this Annual Report and Accounts 2021.

In accordance with its terms of reference, it is a key responsibility of the Nomination Committee to ensure the Group has a Board structure with the requisite combination of skills, experience and knowledge to effectively discharge its duties whilst driving the business forward. In this regard, I am delighted to welcome Henrik Lund to the Board as a new independent Non-Executive Director. Henrik brings extensive global leadership and industry experience to the Board, widening its current skill set. More details on the work undertaken by the Nomination Committee can be found on pages 91 to 96 of this Annual Report and Accounts 2021.

Our people and our customers are key to our success as a business and they form an integral part of the success of our strategy. It is my firm belief that all of our people have a role to play in delivering our growth plans, and I take great pride in the lengths to which our people go to ensure the delivery of critical services to our customers safely and securely. 2021 saw the Group welcome new colleagues from a number of new countries and, as we continue to expand our global footprint in 2022, we are confident we will forge new customer relationships and continue to build on them as we did in 2021.

The Board remains committed to contributing to wider society and recognises the importance of environmental matters and the need to make positive change to enhance the world in which we live. The Board has set itself an ambitious but deliverable goal of making the Company carbon neutral by its 200th anniversary in 2033. We have become a signatory to the UN Global Compact and will be an active participant in the wider conversation to shape and build a sustainable future. We have also developed a well defined environmental, social and governance (ESG) strategy and have committed to setting science-based targets as part of our route to carbon neutrality in 2033. Further details on the Group's progress made in this regard can be found on pages 40 to 43 of this Annual Report and Accounts 2021.

In accordance with the Financial Conduct Authority's Listing Rules, we are required to report on how we have complied with the Principles and Provisions of the Code during the 2021 financial year. I am pleased to confirm that the Board is of the view that the Company has been broadly compliant with the Principles and Provisions of the Code. However, during 2021 the Company was not compliant with the following elements of the Code:

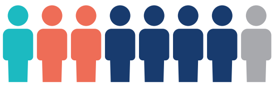
CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S INTRODUCTION TO CORPORATE GOVERNANCE (CONTINUED)

- Christian Kappelhoff-Wulff, whom the Board considers to be a non-independent Non-Executive Director, stepped down from the Remuneration Committee in February 2021 following a period of constructive discussions with shareholders and shareholder advisory bodies. Accordingly, the Remuneration Committee was compliant with Code Provision 32 from that point onwards.
- The combination of the roles of Chairman and Chief Executive Officer meant the Company continued to be non-compliant with Principle G and Provision 9 of the Code. The Committee and the Board takes very seriously the importance of good corporate governance and the link this has with long term sustainable success. The Nomination Committee undertook a rigorous assessment of this structure and remained satisfied that there continued to be sufficiently robust scrutiny, independent oversight and constructive challenge by the Deputy Chairman and other Non-Executive Directors on Board matters, ensuring that no one individual possesses unfettered decision-making powers and that the Board remains fully able to discharge its duties and responsibilities effectively.

I, together with the Board, am very much focused on driving our reshaped business forward as we continue to execute on our growth and ESG strategies. We are well placed to deliver a profitable future for our shareholders and wider stakeholders, and I look forward to reporting on our progress in 2022.

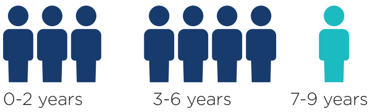
Philipp Joeinig
Chairman & CEO
8 March 2022

Composition of the Board



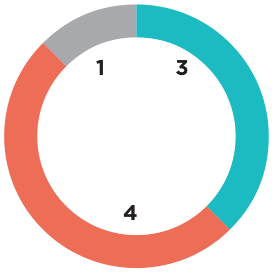
- Executive Director
- Independent Non-Executive Director
- Chairman & Chief Executive Officer
- Non-Independent Non-Executive Director

Board diversity and tenure



- Male
- Female

Board tenure



0-2 years	3
3-6 years	4
7-9 years	1

THE BOARD

Principal responsibility is to ensure the long term success of the Company, assuming responsibility for the Group's overall strategy and providing shareholders and stakeholders with value and contributing to wider society.

AUDIT COMMITTEE

Monitors the integrity of the Group's financial reporting and financial statements, reviews the effectiveness of internal controls and risk management, and oversees the relationship with the external auditor.

NOMINATION COMMITTEE

Oversees the development of a diverse pipeline of talent for orderly succession to Board and Senior Management positions and to ensure the Board has the requisite combination of skill, experience and knowledge to effectively discharge its duties and support Group strategy.

REMUNERATION COMMITTEE

Determines and agrees the Company's remuneration policy in respect of Executive Directors and the Chairman & CEO, together with their specific remuneration packages, ensuring they support Group strategy and promote long term sustainable success.

HUMAN RESOURCES

Assists the Board in fulfilling its human resources and employee engagement obligations and ensures standardisation, adequacy and effectiveness of structure, policies and process.

STRATEGIC COMMITTEE

Keeps under review the delivery of the Group's strategy and structure, evaluating strategic decisions, including significant capital investments and potential merger and acquisition activity.

EXECUTIVE MANAGEMENT BOARD

Responsibility for the overall delivery of the Group's strategy, reviewing in detail the business's operational, financial and commercial performance.

UK CORPORATE GOVERNANCE CODE

The Board is committed to the principles of good corporate governance contained in the UK Corporate Governance Code (July 2018), published by the Financial Reporting Council and is available on its website at www.frc.org.uk. The Company follows the good practice that the Code recommends and the Board considers, subject to where it was explained otherwise in this Annual Report and Accounts 2021, that the Company has applied the Principles and complied with the Provisions set out in the Code throughout 2021, as detailed in this Statement and the associated reports. The Board believes that the Annual Report and Accounts 2021 are, when taken as a whole, fair, balanced and understandable, providing shareholders with the requisite information to assess the Company's performance, business model and strategy.

Philipp Joeinig
Chairman
& Chief Executive Officer

Appointed
June 2017

Experience and skills
Philipp Joeinig was appointed Chairman & CEO of John Menzies plc on 1 September 2020. Philipp is a solution orientated and focused leader with over 15 years of experience in aviation services. He held various executive leadership roles at Swissport International Limited and was a member of the management board over a 10 year period. Philipp brings with him a strong leadership track-record, capital allocation, and a wealth of aviation service-industry experience.

Other appointments
Director of Claphique Invest & Development AG and Board member of Karin Privatstiftung.

Director of various Group companies.

Committees
N S

David Garman
Deputy Chairman
& Senior Independent Director

Appointed
June 2015

Experience and skills
David brings comprehensive industrial and logistics sector expertise to the Board. He was previously Chief Executive of TDG plc, a European contract logistics and supply chain management business; an Executive Director of Associated British Foods plc; held non-executive directorships at St Modwen Properties PLC, Kewill Limited, Victoria PLC and Phoenix IT Group PLC: and occupied a variety of management roles at United Biscuits.

Other appointments
Non-Executive Director of Troy Income & Growth Trust plc, Senior Independent Director of Speedy Hire Plc and Director of various private companies.

Committees
A N R H S

Alvaro Gomez-Reino Lago De Lanzos (Alvaro Gomez-Reino)
Chief Financial Officer

Appointed
December 2019

Experience and skills
Alvaro brings significant financial, business development and international business experience in the support services and aviation services industry where he previously was Chief Financial Officer at Swissport International Limited. Alvaro led the Group's financial matters across more than 45 countries including complex financing structures and several M&A transactions. Alvaro previously held senior finance positions with Amey plc, Ferrovial, Ahold and Hewlett Packard.

Other appointments
Director of various Group companies.

Committees
S

John Geddes
Corporate Affairs Director
& Group Company Secretary

Appointed
November 2016

Experience and skills
John has held the position of Group Company Secretary since 2006, having joined the Group in 1997, and was appointed to the Board in 2016 as Director of Corporate Affairs. John possesses a keen and comprehensive understanding of the aviation services market and his responsibilities include Governance, Risk and Investor Relations. As a Chartered Secretary, John's career has included Company Secretariat posts at both Bank of Scotland plc and Guinness plc.

Other appointments
Board member of the Airport Services Association and a Director of various Group companies.

Committees
H

Silla Maizey
Non-Executive Director

Appointed
May 2014

Experience and skills
Silla is a qualified accountant and brings vast experience of the air travel industry to the Board. She enjoyed an executive career at British Airways (1978-2012) holding a number of roles within finance, procurement, corporate responsibility and customer services including Managing Director of London Gatwick.

Other appointments
Chair of NHS Business Services Authority, Non-Executive Director of the Crown Commercial Service and Non-Executive Director of Network Rail Limited.

Committees
A H N R

Paul Baines
Non-Executive Director

Appointed
June 2016

Experience and skills
Paul brings extensive corporate finance experience, having been CEO and Executive Chairman of Hawkpoint (2003-13), and, previously, Chief Executive of Charterhouse Bank (Corporate Finance). He sat on the Collins Stewart plc board 2006-12. Since 2013 he remains senior adviser to Smith Square and Vermillion, respectively UK and Chinese investment banking firms. He is Chairman of the Shareholder Committee of the Shepherd Building Group.

Other appointments
Chairman of the Shareholder Committee of Shepherd Building Group Limited, Senior Adviser to Smith Square Partners and Senior Adviser to Vermilion Partners.

Committees
A N R

Christian Kappelhoff-Wulff
Non-Executive Director

Appointed
May 2019

Experience and skills
Christian brings strong capital allocation and strategic skills to the Board. He has 11 years' experience as an investor in mid-sized European companies. Christian is the founder and Chief Executive Officer of Lakestreet Capital Partners AG, an investment firm based in Zug, Switzerland. Prior to Lakestreet Capital Partners AG, Christian was a Director of Goldsmith Capital Partners AG, working directly for its founder for five years.

Other appointments
Chief Executive Officer of Lakestreet Capital Partners AG.

Committees
S

Henrik Lund
Non-Executive Director

Appointed
June 2021

Experience and skills
Henrik was appointed to the Board in June 2021. Henrik is a Senior Executive, with a career spanning 40 years in the Global Logistics Industry working for some of the largest organisations in the USA, Asia and Europe. He has managed large complex network businesses at Executive Board level, driving procurement, network optimisation, process improvement, analytics and business transformation projects, as well as having extensive experience in leading Global Industry Sectors and Key Account Management.

Other appointments
Partner at QloudX ApS.

Committees
A N R S

Committee membership key

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- H Human Resources Committee
- S Strategic Committee
- ☐ Indicates Committee Chair

Overview

This Report sets out the Board's corporate governance structures from 1 January 2021 to 31 December 2021. Together with the other Board constituted committee reports on pages 91 to 119 of this Annual Report and Accounts 2021, it includes details of how the Company has applied and complied with the principles and provisions of the 2018 UK Corporate Governance Code (**Code**), published by the Financial Reporting Council (**FRC**). The Code is supported by the FRC's Guidance on Board Effectiveness, which the Board uses to support its approach to governance and decision making.

Board Composition

At the time of publication, and as detailed in the diagram on page 74 of this Annual Report and Accounts 2021, membership of the Board is constituted as follows:

- the Executive Chairman & Chief Executive Officer;
- two Executive Directors;
- four independent Non-Executive Directors; and
- one non-independent Non-Executive Director.

The Nomination Committee ensures that the size and composition of the Board is subject to ongoing scrutiny and that the appropriate balance of skills, experience, independence and knowledge exists. Two of the Nomination Committee's key responsibilities during the course of 2021 were to identify a suitable candidate to be appointed to the Board as a new independent Non-Executive Director and to assess the effectiveness of the combined role of Executive Chairman and Chief Executive Officer.

The Nomination Committee and the Board were keen to identify a new independent Non-Executive Director possessing the right balance of skills, knowledge and industry experience to further enhance the Board's overall skillset and for this purpose engaged independent recruitment consultants Egon Zehnder Associates. The Committee agreed the key recruitment criteria and attributes, which were to consider a diverse range of candidates who possessed (a) senior executive experience in sectors and industries similar to the Company's; (b) a strong understanding of the current market and associated challenges; and (c) international executive level management experience. Following a number of interviews with shortlisted candidates, the Committee identified Henrik Lund as the most suitable candidate. Henrik brings extensive global leadership experience to the Board and has held a number of senior international leadership positions at QloudX, Asymmetrical Consulting, Hellmann Worldwide Logistics, DSV Panalpina and DHL Global Forwarding and Freight. He also possesses a strong executive management background in air, land and sea freight forwarding and logistics which the Committee considered satisfied the recruitment criteria and would complement and further enhance the Board's current skillset. The Committee formally recommended to the Board that Henrik be appointed as an independent Non-Executive Director, and this recommendation was duly accepted, with Henrik formally joining the Board in June 2021.

The Nomination Committee reviewed the suitability and effectiveness of the combined role of Executive Chairman and Chief Executive Officer, held by Philipp Joeinig and which is not in accordance with Principle G and Provision 9 of the Code. Following a rigorous assessment of the combined role, the Committee remained satisfied that sufficiently robust scrutiny, independent oversight and constructive challenge exists on the Board, which is provided by the Deputy Chairman and other Non-Executive Directors. Accordingly, the Nomination Committee continued to be satisfied that no one individual possesses unfettered decision-making powers and that the Board remains fully able to discharge its duties and responsibilities effectively.

Further details on Board composition are included on pages 74, 91 and 96 of this Annual Report and Accounts 2021.

Biographical information on the current Board can be found on pages 76 and 77 of this Annual Report and Accounts 2021. In accordance with its Terms of Reference, the Nomination Committee will keep Board composition under review during 2022 to ensure the leadership needs of the organisation are satisfied and the Company is at all times well-placed to execute its strategy and compete effectively in the markets in which it operates.

As a new Director, Henrik Lund will be subject to election by shareholders at the next Annual General Meeting (**AGM**), together with all incumbent Directors, and will be subject to annual re-election thereafter. This is in accordance with best practice principles and Provision 18 of the Code.

Board Responsibilities
The principal responsibility of the Board is to promote the long-term success of the Company for the benefit of its stakeholders and shareholders. In discharging such responsibility, it must ensure that the Company's affairs are always conducted within the parameters of the Group's internal control framework with the interests of internal and external stakeholders appropriately identified and managed. Whilst determining and overseeing delivery of the Group's strategic objectives, the Board also assumes governance and regulatory responsibilities across a diverse range of topics (for example: health and safety; financial, operational and corporate risk; compliance; and environmental, social and corporate governance (**ESG**)) and has a formal schedule of matters specifically reserved for its attention. This includes, without limitation, consideration and, if appropriate, approval of: the Group's financial statements; going concern statements at half year and year end; its viability statement; and key financial and operational items such as potential disposals and acquisitions, capital expenditure above certain thresholds and major non-recurring projects.

Additionally, the Board has overall responsibility for the Group's systems of internal control, covering financial, operational, compliance, and risk management and for annually reviewing their effectiveness. Whilst the Audit Committee has delegated responsibility from the Board to review the effectiveness of these systems, the day-to-day responsibility for such systems, including deployment and maintenance, rests with the relevant members of the senior management team. The Board ensures that it regularly reviews their effectiveness and actively monitors the processes by which principal and emerging risks are identified, evaluated and managed. Further details on how the Board manages business risks are included on pages 32 to 39 of this Annual Report and Accounts 2021.

Agendas for each Board meeting are developed from the Board's annual plan of business and tailored to reflect the current status of projects, strategic workstreams and the overarching operating context. Finalisation of Board meeting content is a collaborative process involving the Executive Chairman & Chief Executive Officer and Group Company Secretary, who ensure adequate time is allocated for each Board meeting to support effective and constructive discussion. Board papers are circulated one week prior to all Board meetings through a secure electronic platform, allowing Directors adequate time to familiarise themselves with the items for discussion, whilst the annual Board evaluation process affords Directors the opportunity to comment on the quality and content of Board packs and other areas of Board performance that requires further development. At Board meetings, Directors receive and consider presentations from Executive Directors, senior management other relevant colleagues or external advisers, as appropriate.

Board Committees
The Executive Management Board (EMB), led by the Executive Chairman & Chief Executive Officer comprises the Executive Directors and other members of senior management. The EMB has Board-delegated responsibility for the overall delivery of the Group's strategy, reviewing in detail the business's safety, security, operational, financial and commercial performance in line with its strategic goals. During 2021 the EMB's focus was on: the delivery of safe and secure operations and the safety and security of our people; reviewing operational requirements on a region by region basis as flight volumes return; development of a three year plan to deliver the Group's strategy; prudent financial management and compliance with lender covenants; the development of the Menzies 100 talent pool and wider succession matters; reviewing the pipeline of business development opportunities and competitor analysis; and further developing and deepening our customer relationships. ESG matters continued, and will continue, to be an area of the EMB's focus and responsibility as we reduce our carbon footprint in a structured and sustainable manner whilst respecting the environments in which we operate. This forms part of the Group's Sustainability Strategy for which the EMB has overall responsibility and outlines the Group's commitments and goals across ESG topics alongside a roadmap for delivery. Further details on how the Group's Sustainability Strategy has developed during the reporting year can be found on pages 40 to 43 of this Annual Report and Accounts 2021.

The Board also delegates certain responsibilities to the Board Committees detailed in the table below; specifically, the Nomination Committee, Audit Committee, Human Resources Committee, Remuneration Committee and Strategic Committee. Further information on all Board Committees can be found on pages 91 to 119 of this Annual Report and Accounts 2021 and the defined Terms of Reference of each are available on the Company's website.

Committee membership is monitored and reviewed regularly to ensure a suitable balance and rotation of Directors. The Chair of each of the Audit and Human Resources Committees is selected from Directors who are considered independent under the Code. The Deputy Chairman and Senior Independent Director, David Garman, serves as Chair of the Remuneration Committee and Nomination Committee. In accordance with Provision 32 of the Code, David Garman has served on the Remuneration Committee since 2017.

Directors must exercise their judgment independently, free from the influences of others. The independence of individual Directors is reviewed on an ongoing basis, considering the characteristics of independence contained within the Code. The Nomination Committee considers that, other than Christian Kappelhoff-Wulff, each of the Non-Executive Directors continues to be independent in character and judgment in line with the Code. Christian is considered not to be independent due to the Chief Executive Officer position he holds with Lakestreet Capital Partners AG, one of the Company's shareholders. However, the Nomination Committee, having carefully considered the matter, continues to be of the opinion that Christian's strong capital application skills and strategic experience strengthens the Board's overall skillset.

	Appointed/ Resigned	Board[1]	Nomination Committee	Audit Committee	Human Resources Committee[2]	Remuneration Committee	Strategic Committee
Meetings		9	2	3	2	4	4
P Joeinig	Jun. 2017	9/9	2/2	–	–	–	4/4
D Garman	Jun. 2015	9/9	2/2	3/3	2/2	4/4	4/4
A Gomez-Reino	Dec. 2019	9/9	–	–	–	–	4/4
J Geddes	Nov. 2016	9/9	–	–	2/2	–	–
P Baines	Jun. 2016	9/9	2/2	3/3	–	4/4	–
C Kappelhoff-Wulff	May 2019	9/9	–	–	–	–	4/4
S Maizey	May 2014	9/9	2/2	3/3	2/2	4/4	–
H Lund[3]	Jun. 2021	4/4	n/a	1/1	–	2/2	2/2

Notes:
1. Three additional Board meetings took place between March 2021 and August 2021 in order to review and approve project related transactions.
2. Juliet Thomson attends the Human Resources Committee and Remuneration Committee in her capacity as EVP People.
3. Henrik Lund was appointed to the Board and certain Committees in June 2021 and attended all Board and Committee meetings from this date.

Key areas of activity	Matters considered	Outcome	Stakeholders impacted
Board Structure	Key priorities of the Board (and its Nomination Committee) were to: Review the suitability and effectiveness of the combined role of Chairman and Chief Executive Officer. Identify a new independent Non-Executive Director possessing the right balance of skills, knowledge and industry experience to further enhance the Board's overall skillset, as well as rebalancing the Board's composition of majority independence and compliance with the Code.	• Following a rigorous assessment of the combined role, the Nomination Committee remained satisfied (and recommended to the Board) that sufficiently robust scrutiny, independent oversight and constructive challenge exists on the Board. • Following a number of interviews with shortlisted candidates, Henrik Lund was appointed to the Board as an independent Non-Executive Director in June 2021.	People Customers Shareholders Suppliers Debt Providers

Key areas of activity	Matters considered	Outcome	Stakeholders impacted
Key Business Priorities	In addition to the time allocated during Board meetings to discuss business performance, the Board focused on the following matters in order to meet the Board's 2021 priorities: • Group liquidity & lender covenant compliance. • Risk and safety matters. • Workforce engagement. • Customer and wider stakeholder engagement. • People agenda. • Business and sales development. • Delivery of Sustainability Strategy and Road Map and Task Force on Climate-related Financial Disclosures reporting.	• Monthly management accounts circulated to the Board to bridge the reporting gap between Board meetings. • Circulation of a rolling three-month liquidity forecast incorporating projected working capital requirements as volumes rebuild. • Focus on reduction of days sales outstanding to maximise cashflow. • Utilisation of government support schemes across the network, positively impacting on the Group's liquidity position and mitigating compulsory job losses. • Identification of emerging risks and the safety measures required to mitigate against them. • Monthly communications and Q&A sessions with members of the EMB and senior management available to all employees encouraging vaccination against Covid, workplace safety measures and important operational matters. • Dedicated website for all staff (including those on temporary leave) providing resources to keep up to date on how we operate responsibly, safely and effectively. • Focused customer and prospective customer engagements in existing and new markets, strong key contract renewals and several new contract wins despite challenging market conditions. • Development of the Menzies 100 with regular EMB updates and virtual development sessions held throughout 2021 with a four day in-person conference planned for April 2022. • Climate risk and opportunity scenario analysis. • Consideration of sustainability related criteria in investment decisions. • Creation of our 'All In' identity and commitment to developing further sustainability goals.	People Customers Shareholders Suppliers Debt Providers Local Communities and the Environment

Key areas of activity	Matters considered	Outcome	Stakeholders impacted
Review of proposed new Directors' Remuneration Policy (New Policy)	The Remuneration Committee reviewed the structure and composition of the New Policy, including the long-term incentives for Executive Directors, to ensure the Company's highly experienced senior management team are appropriately incentivised and retained to ensure continued delivery of the Company's long-term growth strategy, against a backdrop of extremely competitive market conditions. The New Policy was also updated to include a number of developments in remuneration governance. The objective was to implement a new Directors' Remuneration Policy incentivising the Group's senior management to grow earnings, deliver total shareholder return and align with shareholder interests in the long term.	• The Chairman of the Remuneration Committee engaged with significant shareholders in respect of the terms of the proposed New Policy to properly understand the views of shareholders and garner support for the New Policy prior to shareholders voting on it in 2022.	Shareholders

Key areas of activity	Matters considered	Outcome	Stakeholders impacted
Strategy Development	A key focus for the Board was to review and rebalance its cargo and ground handling portfolio and wide non-core product offering, entry into new and emerging markets and to maintain a platform from which the Company can continue to grow and win market share.	• EMB, led by the Chairman & CEO, held monthly sessions as well as multi-day meetings across the Group's network, undertaking a detailed review across all financial, operational, risk and commercial functions within the Group, reporting findings, outcomes and actions to the Board. • Successful execution of a placing of 7,586,206 new ordinary shares of £0.25 each in the capital of the Company (Ordinary Shares) by way of a combination of a non-pre-emptive placing, a subscription by directors and senior management of the Group and/or persons closely associated with such directors and an offer made on the PrimaryBid platform of new Ordinary Shares of up to £1m (the **Placing**), in order for the Group to capitalise on market conditions and accelerate the delivery of its strategic objectives, whilst also maintaining the Board's commitment to reduce the Group's leverage. • Key output and recommendations concluded in quarter four of 2021 and incorporated into the 2022 budget and three-year plan. • Presentations to the Board by senior management on individual product line development, IT resources and infrastructure required to deliver against the strategic priorities and further development of cyber security defences and mitigations.	People Customers Shareholders Suppliers Debt Providers Local Communities and the Environment

Key areas of activity	Matters considered	Outcome	Stakeholders impacted
Strategy Development (continued)		• Review and approval of strategic commercial activity including: – Entry into a five-year cargo handling contract with Avianca Cargo at their Miami International Airport hub, processing approximately 250,000 tonnes of cargo per year. – The establishment of a global partnership with Plaza Premium Group, an industry leader in innovating global airport hospitality services. – Entry into new multi-year ground services and cargo handing contract wins with Qantas Airways at Perth, Brisbane, Cairns and Darwin and a ground services contract with Jetstar Airways at its Melbourne hub. – A $4.6m investment to acquire a minority equity stake in a joint venture with Guangzhou JFreight Aviation Logistics Supply Chain Co. Ltd to manage and operate a new cargo terminal at Guangzhou Baiyun International Airport in China, one of the world's busiest airports. – The acquisition of a controlling interest in Interexpresso Costa Rica Corporación ILC, S.A. and associated companies which expanded the Company's footprint in Central America, an exciting growth market.	

Key areas of activity	Matters considered	Outcome	Stakeholders impacted
Corporate Governance	The Board, with assistance from Committee Chairs and other members of senior management, reviewed its governance and risk reporting structures.	• Received regular reports from all Board Committees on matters considered, actions and areas of development. • Received reports on corporate governance, legal and regulatory updates from the Company Secretary and the Group's external legal advisers, where necessary. • Approved the 2020 Annual Report and Accounts, including the 2020 Notice of Annual General Meeting, all trading updates and half year results released to the market by RNS. • Carried out a robust assessment of the Group's principal and emerging risks, their potential impact and the effectiveness of mitigating controls in place. • Received an update on the TCFD and associated reporting and impact. • Reviewed and approved the Gender Pay Gap disclosure in this Annual Report and Accounts 2021. • Considered feedback from the evaluation of Board and Committee performance and agreed development actions.	People Customers Shareholders Suppliers Local Communities and the Environment

Role of Board Members

Executive Chairman and Chief Executive Officer

In his role as Chairman, Philipp Joeinig leads the Board in the determination and development of the Company's strategic aims, ensuring the necessary resources are in place to meet its objectives whilst also promoting Board effectiveness and general Board relations. In chairing Board meetings, Philipp seeks to foster an atmosphere that encourages constructive debate and discussion between Board members whilst ensuring the appropriate focus is given to key strategic agenda items, the support of business development, organic and non-organic growth opportunities, and delivering long term shareholder value.

In his role as Chief Executive Officer, Philipp provides the necessary leadership to the Group, overseeing its day-to-day management with the support of the other Executive Directors and senior management to help guide and implement strategic planning, key projects and the shaping and oversight of the implementation of key initiatives. Executive Directors may discuss issues of concern with the Chairman who is also actively engaged with the Company's stakeholders, shareholders and the wider investment community.

Deputy Chairman and Senior Independent Director

David Garman has been the Senior Independent Director of the Company since August 2015 and was appointed as Deputy Chairman of the Company in July 2019. He continues to support the Chairman & Chief Executive Officer in the discharge of his responsibilities and also makes himself available to the Company's shareholders and other stakeholders when discussions with the Chairman & Chief Executive Officer and/or Executive Directors are not considered appropriate. David is also on hand to provide the Chairman & Chief Executive Officer with advice and guidance in relation to FCA requirements and general UK related corporate governance matters if requested to do so. In accordance with the Code, David leads the Chairman's annual performance appraisal in addition to the annual Board effectiveness evaluation.

Executive Directors
Together with the Chairman & Chief Executive Officer, the Executive Directors set and ensure the delivery of the Group's stated strategic objectives whilst providing the necessary leadership to the Group and overseeing its day-to-day management. The Executive Directors report directly to the Chairman & Chief Executive Officer and to the Board, keeping the Board apprised of key strategic, financial and operational developments and on any issues or concerns that may arise. The Executive Directors have individual duties and responsibilities aligned with their specific functions although these may vary in line with business requirements.

Non-Executive Directors
In accordance with the Code, our Non-Executive Directors provide independent and constructive challenge and assist in the development of strategic proposals. They are also expected to scrutinise and hold to account the performance of management and all Executive Directors against agreed performance objectives. In line with best practice they must participate in the Chairman's annual evaluation. Additionally, they must satisfy themselves on the integrity of the Group's financial information and be comfortable that its systems of internal financial controls and risk management are both rigorous and robust.

Board recruitment and succession planning
As noted above, the size and composition of the Board is monitored on an ongoing basis by the Nomination Committee, who assess whether the Board has the right mix of skillsets, experience and the ability to provide constructive challenge and has regard to other key factors such as diversity. The Board is aware of the requirement to ensure that appropriate plans are in place for the orderly succession of the Board and senior management and that a diverse pipeline for succession to these positions is in place. Succession was a key consideration, both at a Board and senior management level by the Group during 2021 and its development will continue throughout 2022 and beyond. If the need arises to fill or create a new Board position, whether Executive or Non-Executive, the Nomination Committee is tasked with considering suitable internal candidates and also nominating external candidates, in relation to which it may employ the services of external recruitment agencies. The Committee must also ensure that contingency plans are in place to provide for Chairman continuity especially in regard to tenure restrictions under the Code.

Induction
All new Directors are required to participate in a structured induction programme upon appointment. Whilst this encompasses standard governance and regulatory items aimed at ensuring that they fully understand and are equipped to effectively discharge their duties as directors of a listed company (and, as appropriate, members of any Board Committees), it is also tailored to the individual training and developmental needs of new Directors. Additionally, the programme includes a comprehensive introduction to the Group itself, providing new Board appointees with a firm understanding of the Group's operations, its stated strategic objectives, the markets in which it operates and the risks and challenges to be addressed. Structured meetings will be arranged with the Chairman & Chief Executive Officer and Non-Executive Directors around the functioning of the Board, its Committees and associated operating responsibilities and governance requirements, whilst new Directors will also spend time with the Executive Directors and relevant members of senior management throughout the business to develop familiarity with key strategic and operational items.

Development
It is the Group Company Secretary's responsibility to ensure that as and when required: (i) all Directors have access to independent professional advice, at the Company's expense, to allow them to effectively discharge their duties; and (ii) Board Committees have the necessary resources available, including external professional support, to properly execute the responsibilities incumbent upon them. More generally, the Group Company Secretary is available at all times to provide support and guidance to both individual Directors and Board Committees.

The Board acknowledges that the regular training and upskilling of its members is key to its effective functioning and, accordingly, a number of measures are in place to ensure Directors are kept apprised of relevant governance, regulatory and policy developments – for example, the attendance of guest speakers at Board meetings and the inclusion of targeted updates within Board packs. The annual Board evaluation process remains a key tool by which to identify the training requirements of individual Directors and the Board more generally, together with areas that may require particular focus or strengthening.

The Board is encouraged to hold Board and Committee meetings in conjunction with site visits across our network. This is an important means for the Board to increase their understanding of the Group's operations and markets and provides a welcome touchpoint for the workforce to engage with the Directors. Unfortunately, as a consequence of the travel restrictions implemented across our network due to the Covid pandemic, there was very limited opportunity for the Board to undertake site visits during 2021. The Board very much looks forward to visiting our operations in 2022, with site visits planned across a number of European locations which will facilitate face to face engagement with our people, discussing matters of importance to them. Further details on employee engagement can be found at pages 102 to 105 of this Annual Report and Accounts 2021.

Diversity and Inclusion
The Board believes that there exists a balanced range of skillsets, experience and backgrounds amongst our existing Executive and Non-Executive Directors but acknowledges there is still progress to be made on appointments to the Board that promote diversity from a gender, social and ethnic background perspective. As a number of Non-Executive Directors are approaching their nine-year appointment anniversaries in the near to medium term, all aspects of diversity will be considered when recruitment criteria and attributes are set to fill these positions. The current members of the Board have extensive aviation industry experience and highly relevant skills derived from serving in a range of executive and non-executive positions in other customer-facing service delivery businesses, both within the UK and internationally. The Board will continue to appoint on the basis of merit, whilst working to broaden the diversity of its talent pool in all respects.

Currently, female representation on the Board equates to 12.5%. The representation of females in our senior management roles is 28%, which is a welcomed increase of 4% on 2020. The Board reviewed and discussed data and reporting on the UK gender pay gap prior to publication of our Gender Pay Gap Report. Focus was given to the data gathered in the preparation of the report and the action that is being taken to address the gap as well as the broader issue of diversity within the Company.

The Group aims to be an inclusive employer and the Board is highly supportive of the initiatives in place to promote equality, diversity and inclusion throughout the business. As part of the business's human resources strategy the equality, diversity and inclusion working group meet during the reporting year, the aim and purpose of which is to bring together a team of individuals to act collectively to gather data, define priorities and achieve set objectives with the overarching goal of shaping and leading positive change through action. This work will help us to continue to develop a rich and diverse population, add value, and champion and promote equal opportunities within the business and our industry. The Group celebrated International Women's Day over the global business during the reporting year, with high engagement seen across our regions and throughout our structure. We also pledged our commitment to IATA's 25 by 2025 initiative, and committed to gender diversity leadership targets of either a 25% improvement, or a 25% representation, by 2025. Under this initiative, we committed to report on our status annually against key diversity and inclusion metrics, with an overarching commitment to:
- increase the number of women in senior positions;
- increase the number of women in underrepresented areas within the organisation/industry (by 25% or up to a minimum of 25%, by 2025);
- increase female nominations from their organisations for IATA governance roles, to a minimum of 25%; and
- working with IATA to increase the number of women appointed to IATA governance roles to a minimum of 25.

To support our wider sustainability programme, commitment to diversity and to strengthen our diversity in our succession pipeline, a female leaders programme was piloted in 2021. We have partnered with an external organisation to deliver the course which covered barriers to female progression, both personal and organisational. The target audience for this programme is potential successors of our 100 most senior leaders and the programme will be evaluated and developed to run annually, moving throughout our regions and down the structure of the organisation to ensure this is as inclusive as possible.

Board Evaluation
During 2022 David Garman, the Deputy Chair and Senior Independent Director, led the annual Board effectiveness evaluation. This involved one-to-one discussions with each Director to understand and evaluate their responses to an annually updated and concise Board questionnaire, the results of which the Board also collectively reviewed.

The overall consensus of Board members for 2021 was that the Board continued to be effective, particularly in the areas of chairmanship, governance, risk and financial management and the Board felt meetings were positive, purposeful and cohesive. The Board considers that it had, and continues to have, the appropriate balance of skills, knowledge and experience to enable it to discharge its duties and responsibilities effectively and that each Director provided objective and constructive challenge to management.

Common themes from the review for future attention were several aspects of externalisation and strategy, notably in relation to market/competitive analysis and the conversion of the proposed growth priorities into successful execution.

All Board members acknowledge the progress made in converting the Group's strategy into a set of more specific objectives and priorities with more detailed and robust supporting financial analysis. It was noted this was a live process and would be subject to further review and updating during refinement of the three year plan in 2022. It was recognised that Executive management has devoted significant time in prior years to restoring and developing its customer relationships across its business. It was also noted that the Company has an experienced and strong management team who have good awareness of market dynamics when making commercial decisions. However, to avoid Board deliberations being more internally focused, external market dynamics should be discussed earlier in the commercial analysis process.

The inclusion of a financial and operational KPI dashboard in response to the 2020 review was welcomed. It was noted that there was room to further develop the dashboard to include a wider range of operational KPIs, to provide additional visibility across the Group's three service pillars.

The Board remains a strong advocate of the principles and provisions of the Code regarding performance evaluation and may, periodically, engage external consultants to ensure the Company's evaluation process is fit for purpose and refreshed as appropriate.

Shareholder Engagement
In line with the requirements of the Code, the Board remains aware of the importance of maintaining a clear dialogue with the Company's stakeholders and shareholders and so implemented a programme of activity to ensure effective and constructive communication continued despite the social distancing and other Covid related restrictions in place throughout periods of 2021. The Company's website contains a dedicated Investor Centre through which the Company disseminates its announcements, results and reports. The website was recently relaunched, providing a more user friendly experience for shareholders and other stakeholders.

It was the Board's preference to welcome shareholders in person to our 2021 Annual General Meeting (2021 AGM), particularly given the constraints we faced in 2020 due to the emergence of the Covid pandemic. However, due to the Scottish Government's Covid restrictions in relation to public gatherings in force at the time, and to prioritise the health and safety of our shareholders and other stakeholders, our 2021 AGM was held as a combined physical and electronic meeting. Shareholders were not permitted to attend the physical location for the 2021 AGM in person and were directed and encouraged to participate in the meeting virtually, casting their vote using electronic means. A dedicated section of the Company's website and an email address was created to allow shareholders to ask any questions they might have before the meeting with full question and answer functionality, both verbal and electronic, provided to shareholders as part of the electronic meeting solution. The Company was pleased to receive a number of shareholder questions which were circulated to the Board, answered promptly and made available on the Company's website at the conclusion of the 2021 AGM.

During 2021, a number of analysts and investors meetings took place in a combination of physical and virtual meetings. The full year and interim results presentations took place virtually, by way of a live webcast via the Company's website, each of which were well received and well attended. Virtual meetings were also held with current and new shareholders following the successful execution of the Placing, with follow up meetings scheduled with new investors during the 2021 interim results roadshows. As we moved through 2021, it became easier for the Executive team hold face to face analyst and investor meetings, with in-person investor days held in Amsterdam, Heathrow, Saudi Arabia, United Arab Emirates and Scandinavia.

The Company, through the Chairman of the Remuneration Committee, engaged with shareholders in respect of the terms of the proposed New Policy, taking on board feedback and revising the new remuneration proposals, where considered appropriate to align the New Policy with shareholder expectations.

Customer Engagement
During 2021 we saw the initial signs of market recovery for our Group and customers. Whilst the industry still faces challenging market conditions, we were able to capitalise upon our strengthened commercial approach and strong customer relationships to support our operational and commercial recovery across our network.

Maintaining regular and constructive dialogue with our customers to fully understand their needs continued to be a priority. Our Executive Directors and senior managers have continued to engage our customers through virtual mediums and the reopening of travel corridors enabled us to renew face-to-face meetings. This is invaluable when building deep relationships and understanding the challenges our customers continue to face. The return of the aviation industry conferences in Europe provided a valuable opportunity to speak to many of our partners in person and update the industry about our strategy through keynote presentations.

By putting our customers first, listening to their views and providing best-in-class and competitive solutions, we continue to deepen and strengthen these key relationships, which in turn generates a positive impact for our shareholders, people, suppliers and other important stakeholders across our network. Our Executive team and senior management strongly believe our approach is delivering tangible results across the globe, as evidenced by wins with Flyr in two key airports in Europe, Aeromexico in 15 airports in Mexico, cargo handling for Avianca in their key Miami hub, Shell Aviation UK renewing our into-plane fuelling contract across its entire UK network and exciting multi service and site wins with Virgin Australia across our Oceania region. We have driven business development expansion in Central America and China, both of which lay the foundation for future growth in these emerging markets. Commercially, the Group's excellent performance in 2021 has continued in 2022 with further contract wins and renewals for all of our core services, building our confidence in the continued recovery of global flight volumes.

Workforce Engagement
The Board recognises the importance of engagement with employees as a means of gauging workforce alignment to the Group's vision, ethos and core values. This has been critical in a year where employees have a choice of employment opportunities in many of our markets. At the beginning of 2021, an engagement group called the Menzies 100 was created with the aim of bringing together the most senior leaders across the organisation to align under our new strategy. This group met several times to create an opportunity for global collaboration and discussion on progress against strategy.

Following the insight gained in our first employee survey in 2020, in 2021 a further employee engagement survey was conducted, to allow the Board insight into employees across the globe at every level of the organisation. The question set focussed on our People Strategy: making Menzies a great place for our people to work, passionate about growing our own talent, and taking pride in getting the basics right. Employee advocacy for Menzies as an employer was also assessed. We saw an increase from one in five to one in three of Menzies employees across 31 countries taking part in the survey. While again scores were positive across all categories, all key areas of focus identified as part of the survey have actions plans in place to address issues brought to the attention of the Board.

We also saw success in launching a new global whistleblowing service, enabling any employee to be able to report potential concerns or breaches confidentially and with complete anonymity. This is operated by an independent third party and employees can make contact either by telephone or secure website. While we saw an increase in reporting since the service was launched at the start of 2021, the Board views this positively as it indicates employees feel they can speak up and that the Company will take appropriate action.

Further details of People initiatives can be found in pages 46 to 49 of this Annual Report and Accounts 2021.

NOMINATION COMMITTEE REPORT

David Garman
Chair of the Nomination Committee

Committee Members

Name	Position	Attendance
D Garman	Chair	2/2
P Joeinig[1]	Member	2/2
P Baines	Member	2/2
S Maizey	Member	2/2
H Lund[2]	Member	n/a

Notes:
1. Philipp Joeinig was not present at the meetings where matters relating to his position within the Company were being discussed.
2. Henrik Lund was appointed as a member of the Committee on 1 September 2021 following his appointment to the Board as a Non-Executive Director.

I am pleased to introduce the Nomination Committee Report which sets out details of the Committee's focus and activities for the 2021 financial year.

The Committee comprises a majority of independent Non-Executive Directors and is chaired by me, David Garman, as Deputy Chairman and Senior Independent Director. John Geddes, Director of Corporate Affairs and the Group Company Secretary, continued as Secretary of the Committee whilst other Executive Directors and members of senior management attended Committee meetings by invitation if a particular agenda item required their input.

The Committee had two formal meetings during the year but in addition to this otherwise engaged frequently on matters such as Board composition, structure, appointments and other relevant Committee business. Membership of the Committee and meeting attendance during 2021 are set out above.

The Committee remained in full compliance with the UK Corporate Governance Code (July 2018) (the Code) recommendation that a majority of members be independent.

Role of the Committee

The Committee has responsibility for considering the size, structure and composition of the Board, for reviewing Director and senior management succession plans, overseeing the development of a diverse pipeline for succession, retirements and appointments of Directors and for making appropriate recommendations of candidates to the Board so as to maintain an appropriate balance of skills, experience and diversity on the Board.

Terms of Reference

The Committee operates under Terms of Reference that can be found on the Company's website. These were reviewed during 2021 to ensure they reflected feedback from the 2020 Board Evaluation outcomes and continue to align with the applicable provisions of the Code. Accordingly, the number of Committee meetings to be held each year was increased from one to two.

Board Composition

During the reporting year, the Board remained compliant with Principle G and Provision 11 of the Code due to at least half of the Board (excluding the Chairman) being considered as independent by the Board.

As previously disclosed in the Chairman's statement on pages 72 to 74 of this Annual Report and accounts 2021, in order to further enhance the balance of independence to the Board and its overall composition, the Committee recommended that a new independent Non-Executive Director be recruited to join the Board and engaged independent recruitment consultants Egon Zehnder Associates (which had no other connection with the Company or individual Directors) in this regard.

The Committee agreed the key recruitment criteria and attributes, which were to consider candidates (including diverse candidates) who had (a) senior executive experience in sectors and industries similar to the Company's; (b) a strong understanding of the current market and associated challenges; and (c) international executive level management experience. Following a number of interviews with shortlisted candidates, the Committee identified Henrik Lund as the most suitable candidate for this position and who satisfied all aspects of the required criteria and attributes.

Henrik brings extensive global leadership experience to the Board and has held a number of senior international leadership positions at QloudX, Asymmetrical Consulting, Hellmann Worldwide Logistics, DSV Panalpina and DHL Global Forwarding and Freight. He also possesses a strong executive background in air, land and sea freight forwarding and logistics which the Committee considered would complement and further enhance the Board's current skill set.

In April 2021, the Committee formally recommended to the Board that Henrik be appointed as an independent Non-Executive Director, and this recommendation was duly accepted with Henrik formally joining the Board on 1 June 2021.

I am pleased to report that the balance of independence of the Board has been enhanced and remains complaint with Principle G and Provision 11 of the Code.

In the reporting year, the Committee also undertook a rigorous assessment of the Board's structure, particularly in relation to Philipp Joeinig's combined role as Chairman and Chief Executive Officer and the resulting continued non-compliance with Principle G and Provision 9 of the Code.

The Committee and the Board remains satisfied that there is sufficiently robust scrutiny, independent oversight and constructive challenge by the Deputy Chairman and other Non-Executive Directors on Board matters, ensuring that no one individual possesses unfettered decision-making powers and that the Board remains fully able to discharge its duties and responsibilities effectively. It was also acknowledged during this review that under Philipp's leadership, and together with the other members of the Executive, significant progress had been made in converting the Company's strategy into a set of more specific objectives and priorities with more detailed and robust supporting financial analysis than in prior years. It was also noted that significant progress had been made with optimising the Company's portfolio mix, predominately focusing on target markets where there are strong growth prospects and the ability to generate higher than average margins.

The Committee and the Board takes very seriously the importance of good corporate governance and the link this has with long term sustainable success. The Committee and the Board are also fully cognisant of the spirit in which the Principles of the Code should be applied and the inbuilt flexibility within the Code when a company is not compliant with its Principles and/or Provisions. I can confirm that, despite the Board's non-compliance with Principle G and Provision 11 of the Code, the Committee recommended to the Board that its current structure was optimal and the Board remained fully able to effectively discharge its duties and responsibilities. The Committee will of course keep this under review during 2022.

Function and Responsibilities

The primary functions of the Nomination Committee are to oversee the development of a diverse pipeline of talent for orderly succession to Board and senior management positions and to ensure the Board has the requisite combination of skill, experience and knowledge to effectively discharge its duties. The Committee therefore regularly evaluates Board composition with this in mind and is responsible for identifying and recommending candidates to the Board when an appropriate position arises.

The Committee, together with the Board, is committed to promoting diversity and inclusion across the Group and at Board level. As a Board, we are proud that diversity and inclusion is at the heart of our culture. Our people are our most valued asset and are a key stakeholder in our business. As our sector further recovers from the impact of Covid, we have continued to rebuild our workforce, ensuring it is reflective of the diversity of our customers and the regional, national and international communities in which we operate.

As detailed in its Terms of Reference, the key duties of the Committee, together with the main activities undertaken during 2021, are detailed in the following table.

The Committee may engage such advisers, internal or external, as it considers either necessary and/or desirable to ensure the effective discharge of its responsibilities.

	Responsibility	Main activities during 2021
Succession Planning	Ensure that appropriate plans are in place for the orderly succession of the Board and senior management and that a diverse pipeline for succession to these positions is in place, taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore required in the future.	The Nomination Committee is tasked with focusing on succession planning from a Board and Executive management perspective, Executive management for this purpose comprising the next immediate level of senior management below the Board. Following detailed discussions and consideration of the length of service to-date, it was acknowledged that there were a number of Non-Executive Directors who were approaching their nine-year appointment anniversaries in the near to medium term. It was agreed that no issues in relation to Non-Executive Director succession required immediate attention in the 2021 reporting year. However, succession planning in this area would be a key focus of the Committee in 2022 to ensure orderly succession to Board positions. Succession plans in place for the Executives and the wider senior management team were subject to detailed review, including identifying potential areas of vulnerability within the succession pipeline. As previously reported, the 'Menzies 100' was created, which comprises the top 100 senior leaders from across each region, function and critical operational roles within the Group. Throughout 2021, the Menzies 100 took part in regular Executive leadership updates, development sessions and bespoke leadership programmes to further develop their skill sets. The Committee also welcomed the news of a Menzies 100 conference, set to take place (in person) later in 2022, at which a number of leadership and commercial development sessions will be run to further improve the bench strength of the succession pipeline and help the Company to deliver its growth strategy.

	Responsibility	Main activities during 2021
Evaluation	Annually review: (i) the structure, size and composition (including the skills, knowledge and experience) of the Board and its Committees and make recommendations to the Board with regard to any changes; and (ii) the leadership needs, both Executive and Non-Executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.	As noted above, 2021 saw the appointment of a new independent Non-Executive Director to the Board. The Committee led the evaluation process, ensuring at all times that the Board, together with its Committees, has the required balance of skills, knowledge and experience. Taking into account the relevant skillsets and length of service of each Director, together with the revised leadership structure of the Board, the Committee concluded it was satisfied that the Board's current composition was fit for purpose despite not being compliant with Principal G and Provision 9 of the Code for periods of 2021. This view was endorsed by the annual Board evaluation process held in November 2021 (as set out on pages 78 and 90 of this Annual Report and Accounts 2021). Christian Kappelhoff-Wulff is considered not to be an independent Non-Executive Director as he holds the CEO position with Lakestreet Capital Partners AG, a shareholder in the Company. The Committee remained aware that his membership of the Remuneration Committee did not conform with Code Provision 32. Following constructive and helpful discussions with shareholders and proxy advisory bodies in order to fully understand the reasons behind historical shareholder voting and proxy agency voting recommendations regarding his appointment to the Board, Christian decided to step down from the Remuneration Committee in February 2021. This resulted in the Remuneration Committee being compliant with Code Provision 32 from that point onwards. In line with the Committee's Terms of Reference, it was agreed during the year that a further review of the Board's composition would be conducted in 2022 to ensure its composition was in alignment with current and proposed strategic developments and the requirements of the Code.

	Responsibility	Main activities during 2021
Leadership Structure	Prior to making a recommendation and as set out above, evaluate the balance of skills, knowledge and experience on the Board and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.	**Review of the combination of the roles of Chairman and CEO** Following a detailed review of the combined role of Chairman and CEO held by Philipp Joeinig and after careful consideration of the combination of skills, experience and expertise required to successfully execute this role, the Committee remained satisfied that current structure should remain in place. The Committee was satisfied that there is sufficiently robust scrutiny, independent oversight and constructive challenge by other members of the Board, ensuring that no one individual possesses unfettered decision-making powers. The Committee also remained confident that the Board was fully able to discharge its duties and responsibilities effectively. As part of its function and responsibilities, the combined role will be reviewed annually by the Committee. **Appointment of new independent Non-Executive Director** As reported above, the Committee recommended the appointment of Henrik Lund to the Board as an independent Non-Executive Director having satisfied itself that Henrik possesses the correct balance of skills, knowledge and industry experience to further compliment the skill set of the Board. The Committee also recommended to the Board that Henrik Lund be appointed to the Board's Audit, Nomination, Remuneration and Strategic Committees, effective from September 2021.
Executive Remuneration	Liaise closely with the Chair of the Remuneration Committee in relation to the service contract and remuneration package to be offered to any proposed Executive Director.	The Nomination Committee reviewed current rates of Executive Remuneration in conjunction with the Remuneration Committee and no changes to base salary were proposed. The Committee acknowledged that a new Directors' Remuneration Policy would be put to the Company's shareholders during 2022 and that the Remuneration Committee would review all aspects of Executive remuneration in conjunction with a wider review of overall incentivisation and benchmarking against peers.
Training and Development	The Chairman leads the training and development of the Board and of individual Directors and regularly reviews and agrees with each Director their individual and collective training and development needs. For Directors joining the Board, the Chairman ensures that on appointment each Director receives a full, formal and structured induction which reflects a Director's skills, experience and Board role.	During the 2021 reporting year, the Board were reminded of their duty to undertake training and development and the facilities made available to them by the Company in this regard. It was agreed that there were no pressing areas of concern and no specific training requirements were necessary. Henrik Lund was given a full, formal and structured induction with meetings scheduled with the appropriate members of the Board and members of senior management throughout the business's commercial, operation and financial functions. There are also a number of Board site visits planned across the Company's operations as travel restrictions are expected to ease in 2022.

In addition to the areas detailed above, the Nomination Committee also considered the following items during 2021:

- The Non-Executive Directors' letters of appointment were reviewed, in conjunction with the Group Company Secretary, to ensure they remained fit for purpose. At the conclusion of the review, it was agreed that the letters of appointment remained the appropriate terms and did not require amendment.
- That matters relating to workforce engagement, employee engagement surveys and the subsequent reporting outcomes relating to these remain within the remit of the Human Resources Committee. This was agreed by the Board and further details on these matters can be found on pages 102 to 105 of this Annual Report and Accounts 2021.

Diversity, Inclusion and Succession

The Board remains committed to building a diverse pipeline of talent across all areas of the Group including at Board and senior management level in line with the Company's Equality, Diversity and Inclusion Policy. The Board acknowledges its perspective and approach can be greatly enhanced through diverse gender, social and ethnic backgrounds, cognitive and personal strengths, tenure and relevant experience. Although new appointments are based on merit against objective criteria, careful consideration is given to the benefits of improving and complementing the diversity, skills, experience and knowledge of the Board wherever possible.

In making recommendations to the Board, the Committee makes sure that the Board is made up of competent individuals with the necessary balance of skills and experience required to ensure that the Board can function effectively. Moreover, the Board and Company endorse the advantages that diversity brings to the Boardroom and the wider business more generally.

The Equality, Diversity and Inclusion Policy is implemented through the Equality, Diversity and Inclusion Plan. Progress against actions and objectives set out in the Plan are reported by the Equality, Diversity and Inclusion Focus Group to the Board via the Human Resources Committee. The suitability and adequacy of this Policy is assessed periodically by the Focus Group and updated accordingly. The Policy dovetails with a key element of the Company's strategy: to attract, develop and retain the most talented people and to be a place where our people are free to be themselves, no matter their ethnicity, identity or background. By creating a richly diverse working environment in which individuals can utilise their skills and talents to the full without fearing discrimination, bullying, victimisation/retaliation or harassment, we aim to create a culture where our people flourish and reach their fullest potential.

The Committee takes seriously the requirement to ensure the Board and senior management team are balanced from a gender perspective and remains committed to making progress in this area. Through the natural cycle of Board and senior management renewals, the Board intends to broaden diversity beyond gender diversity alone, to reflect the diversity of our customers and the regional, national and international communities in which we operate. As at 8 March 2022 there was one female Director (12.5%) on the Board and the representation of females in our senior management was 28%, which shows welcome progress on 2020.

As can be seen from the table above, succession planning, leadership structure and Board structure were a key focus of the Committee during 2021. This will remain to be the case during 2022 as the Committee plans for Non-Executive succession, continues its assessment of the most optimum and effective Executive structure and continues to invest in the future leaders of the Company within the Menzies 100 population.

The Committee remains confident it has a robust succession plan in place ensuring that the right people are in the right place to lead, contribute to and maximise the success of our global operations.

Further information on the above matters, including the measures which the Group takes to support diversity, can be found on pages 88 and 90 of this Annual Report and Accounts 2021, which information is incorporated by reference into this Nomination Committee Report.

On behalf of the Nomination Committee

David N.C. Garman

David Garman
Chair of the Nomination Committee
8 March 2022

AUDIT COMMITTEE REPORT

Paul Baines
Chair of the Audit Committee

Committee Members

Name	Position	Attendance
P Baines	Chair	3/3
D Garman	Member	3/3
S Maizey	Member	3/3
H Lund[1]	Member	1/1

Note:
1. Henrik Lund was appointed as a member of the Committee on 1 September 2021 following his appointment to the Board as a Non-Executive Director. Henrik attended the Committee meeting held on 26 August 2021 but had not been formally appointed as a Committee member at this point.

Welcome to the Audit Committee Report for the 2021 financial year. I am pleased to report that throughout the year the Committee continued to assist the Board of Directors in discharging its oversight responsibilities in respect of the Company's internal financial controls and, ultimately, safeguarding the interests of its stakeholders, including its shareholders.

The Audit Committee operates under Terms of Reference that can be found on the Company's website. These were reviewed again during 2021 to ensure that they continue to be properly aligned with the applicable provisions of the UK Corporate Governance Code (July 2018).

Whilst the Board has overall responsibility for the Group's systems of internal controls, the Audit Committee has delegated responsibility to review the effectiveness of such controls. The Committee's principal role is to assess the quality of the Group's internal and external audit processes and ensure that the risks that our business faces: financial, IT, operational, compliance-related, emerging or otherwise, are effectively managed and, where possible, mitigated.

Whilst no systems of internal control can provide absolute assurance against material loss or disruption, the Group's systems are designed to provide the Directors with reasonable assurance that risks can be promptly identified and the appropriate remedial action taken where necessary. The Committee carefully considered and evaluated the effectiveness of these controls for the period from 1 January 2021 to the date of approval of this document. The Committee concluded that the Group has sound systems of risk management and internal controls in place, further details on which can be found on pages 32 and 39 of this Annual Report and Accounts 2021.

Additional key responsibilities of the Audit Committee include, but are not limited to, the following:
- Reviewing the Company's financial results announcements and financial statements, including the significant judgments and estimates contained within them.
- Ensuring compliance with applicable accounting standards and reviewing appropriateness of the accounting policies and practices in place.
- Advising the Board on whether the Company's annual report and accounts are, when taken as a whole, fair, balanced and understandable and provide the requisite information in order that shareholders and other stakeholders can assess the Company's performance, business model and strategy.
- Reviewing and monitoring the effectiveness of the Group's internal control and risk management systems, particularly principal and emerging risks that could threaten the Company's business model.
- Reviewing and monitoring the effectiveness of the internal audit function and Management's responsiveness to any findings and recommendations.
- Reviewing the Group's policies and practices concerning business conduct, ethics, integrity and fraud.
- Overseeing all aspects of the relationship with the external auditor, including its appointment, the external audit process taking into account relevant professional and regulatory requirements, and monitoring its effectiveness, objectivity and independence.
- Ensuring compliance with the policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services considering the impact this may have on independence, taking into account the relevant regulations and ethical guidance in this regard, and reporting to the Board on any improvement or action required.

To fulfil its role properly and ensure the effective discharge of its duties, the Committee may take such independent professional advice and request any information from any of the Group's employees, including Executive Directors, as it considers necessary. The Committee may also meet with the external auditors and the internal audit team in the absence of Executive Directors and other employees, allowing for any items of concern to be raised with or by them.

Meetings and Principal Activities
The Audit Committee met, as scheduled, three times with meeting attendance set out in the table on page 80 of this Annual Report and Accounts 2021. The Committee comprised three Non-Executive Directors during 2021: Silla Maizey, a qualified accountant, David Garman and myself.

The current composition of the Committee meets with the requirements of the Code, possessing competence relevant to the sector in which the Company operates. In line with good practice, membership will continue to be reviewed annually.

All Committee meetings were held prior to a full Board meeting, which afforded me the opportunity to provide a comprehensive update on the Committee's discussions and recommendations to those Directors not in attendance. The Chairman & Chief Executive Officer, Chief Financial Officer and Group Company Secretary, together with certain senior members of the Finance team and representatives from the external and internal audit teams, were given notice of all Audit Committee meetings and invited to attend and speak where considered appropriate.

I met with the Group Company Secretary at the start of the year to agree the agenda for the 2021 Audit Committee meetings and identify non-standard agenda items that required consideration over the following months. The Committee also received ad hoc presentations from members of the management team on a variety of key issues throughout 2021.

The principal activities that the Committee undertook from 1 January 2021 to the date of approval of this document, in addition to that reported on in the Annual Report and Accounts 2020 in respect of that document, were as follows:
- Formal review of the Company's Annual Report and Accounts 2021, including the Statements on Internal Control, the work of the Audit Committee and the associated business review. The Committee also formally reviewed the Interim Results 2021 announcement made by the Company. The Committee's work focused on key accounting policies, estimates and judgments, including significant or unusual transactions. In doing so, the Committee reviewed the reports of management and the internal audit team. It also considered the views of the external auditor in relation to the Annual Report and Accounts 2021. The Committee concluded that a recommendation be made to the Board that the required disclosure set out in the Statement of Directors' Responsibilities could be made, as set out on page 126 of this Annual Report and Accounts 2021.
- Review of the risk management work of management, which involved assessing key risks according to their significance, likelihood and impact, in addition to the Group's exposure to and management of these risks. The Risk Register and evaluation of risk constantly evolve and the Committee was satisfied that management had appropriate risk management strategies and systems in place to address the Group's emerging and principal business risks, such strategies and systems having been in place throughout 2021 and up to the date of approval of this document.
- Review and adoption of the annual internal audit plan ensuring that the audits addressed risks identified relating to the Covid pandemic and that the reviews conducted were safe and effective.
- Review of the forecasts of the business to ensure that the statements concerning the affirmation of the Group's going concern and of future viability were balanced and understandable.
- Consideration of the objectivity and independence of the external auditor.

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The primary areas of review by the Audit Committee, and the key assumptions, estimates and judgments considered and addressed in relation to the financial statements contained within this document are as follows:

Change in the Group's presentational currency

The Committee reviewed management's proposed change to the presentational currency of the Group's results and management reports, from British Pounds to US Dollars, reinforcing the international rather than a UK/European focus of the Group. The Committee reviewed the restated comparative results and related disclosures, and agreed that these were appropriate.

Going concern and future viability

The Committee reviewed management's assessment of going concern and future viability, in particular the extent to which volumes recover in the ground and fuel services business lines, air cargo industry growth forecasts and the impact of a proposal regarding a possible offer received post year end for the shares of the Company as set out in Note 25 of the consolidated financial statements.

The Committee reviewed the current liquidity position, net debt, management's financial forecasts including stress testing of potential risks, and management's conclusions that there is a reasonable expectation that the Company and Group has sufficient resources to continue in operation for the period of the going concern assessment, except in regard to the financing arrangements upon the completion of an offer. The Committee reviewed management's conclusion that, before considering the possible cash offer, there is no material uncertainty in the adoption of the going concern basis of accounting in preparing the Company and Group financial statements. The Committee challenged the assumptions made in management's severe but plausible downside and theoretical break cases, as set out in Note 1 to the consolidated financial statements, and has a reasonable expectation that the Company and Group have sufficient resources to continue in operational existence for the period analysed, which is to 31 December 2023.

The Committee noted management's assessment, that were an offer for the Company to complete within the Company's going concern assessment period, this would trigger the change of control clauses in certain of the Company's debt facilities that may, at the lenders' discretion, require repayment in part or in full. It would then be the responsibility of the bidder to determine the necessary future financing arrangements of the Company and the Committee concurred with management's expectation that the bidder will put in place alternative financing arrangements to take effect upon the completion of the offer for the Company. The Committee agreed that in the event of alternative financing arrangements not being in place and an offer for the Company completed during the Company's going concern assessment period, and the lenders request payment under the change of control clause, there would be a material uncertainty surrounding the financing arrangements that may cast significant doubt upon the Company's ability to continue as a going concern and hence its viability going forward.

The Committee agreed that work performance on the affirmation of going concern supported the disclosures in this Annual Report and Accounts 2021 regarding the Group's going concern and future viability, and agreed that these were fair, balanced and understandable, and recommended to the Board that the required disclosures as set out on pages 30 to 31 of this Annual Report and Accounts 2021 could be made.

Revenue recognition

The Committee has reviewed the work completed by management to ensure that the Group has appropriately recognised revenues in accordance with its contractual obligations during the financial year. The Committee was satisfied with the approach and revenue recognition taken.

Exceptional and other items

The Committee considered the appropriateness of the measure of underlying losses and the classification and transparency of items separately disclosed as exceptional and other items. It was satisfied that the measure of underlying loss provided a reasonable view of the underlying performance of the Group and that there was transparent disclosure of items shown separately as exceptional and other items.

Impact of climate risk

The Committee discussed the impact of climate on the business and considered whether there were any material financial impacts, given to the impact of climate risk on the transition to sustainable aviation fuel, on the cost base on the transition to electric vehicles and possible increases in supply costs arising from future carbon taxes. The Committee also considered the work being done by the Group in relation to the Task Force on Climate-related Financial Disclosures (TCFD) and noted that the financial impact had been considered in forecasts prepared for going concern, impairment, recoverability of deferred tax assets in addition to the useful life of assets. Further details on the Group's TCFD disclosures can be found on pages 62 and 67 of this Annual Report and Accounts 2021.

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Provisions

The Committee reviewed the analysis of provisions made by management and challenged the assumptions used in determining whether provisions are appropriate, particularly in relation to the impact of past events on insurance costs matters, onerous contracts and non-rent obligations under certain leases, and were satisfied that appropriate disclosures have been made.

Goodwill and intangible assets

The review for impairment of goodwill and intangible assets is based on cash flow projections to calculate a value in use for each area based on Group forecasts. The achievability of the forecast is a risk, given inherent uncertainty within any financial projection. The Committee evaluated a paper from management on the results of the impairment assessment. Key assumptions were reviewed and challenged by the Committee, including discount rates, business risk factors and cash flow projections based on the most recent budget and strategic reviews. The Audit Committee also challenged the impact of climate risk on the cashflow forecasts used for the impairment assessment and were satisfied that the financial impacts are in line with the metrics and targets considered as part of the work to set the TCFD strategy, more details of which can be found on pages 62 and 67 of this Annual Report and Accounts 2021. Actions and factors likely to influence levels of impairment were reviewed with alternative scenarios requested for further analysis. Taking into account the documentation presented, the Committee was satisfied with the approach and judgments taken.

Taxation

Provisioning for current and deferred tax liabilities and assets requires the exercising of judgment. The Committee addressed this through the receipt of a range of reports from management and a separate tax committee exists to deal with such requests. Further details can be found on page 29 of this Annual Report and Accounts 2021. The Committee challenged the appropriateness of management's views, including the extent to which these were supported by appropriate external advice. In particular, the Committee challenged management's calculations of provision for items under discussion with relevant authorities and of the deferred tax assets and liabilities.

Retirement obligation accounting

A range of judgments underpins the assumptions made in the calculation of UK defined benefit pension scheme liabilities and assets. Assumptions were prepared by external actuaries and reviewed by management, ensuring they were aligned to prevailing economic indicators. Changes in assumptions and the completeness of disclosures were then summarised for the Committee. The Committee was satisfied with the disclosures made and judgments taken.

Covid related government assistance

The Committee recognised the key sources of governmental support primarily comprise the Coronavirus Aid, Relief, and Economic Security Act funding from the US government, the Coronavirus Job Retention Scheme in the UK and the JobKeeper Scheme in Australia and concluded that the accounting treatment and disclosures in the financial statements were appropriate.

Internal Control and Audit

The internal audit function has continued to develop with in-house operational and financial teams conducting the significant majority of reviews. Third party specialists are used to carry out specific scope internal audits when their services are required. The Committee has reviewed this model in 2021 and concluded that this model provides the correct level of effectiveness whilst taking into consideration the global footprint and nature of the Group's operations.

The internal audit findings are presented to the Committee and prioritised by management for action with follow-up reports subject to the Committee's careful scrutiny to ensure that the necessary corrective measures are implemented. The Committee reviewed the work carried out by the internal audit teams to ensure use of remote working is optimised. The Committee concluded that the quality of assurance provided has been effective, and the frequency and breadth of the reviews of the operational and financial reporting centres was sufficient to make that assessment.

As noted above, the Committee has concluded that the Group has effective systems of risk management and internal controls in place to provide the Directors with reasonable but not absolute assurance that risks can be promptly identified and appropriate remedial action taken to protect against material loss or disruption. Further details on this can be found within the Risk Management section contained on pages 32 to 39 of this Annual Report and Accounts 2021.

Also noted above, the Audit Committee reviews the risk management work of management. This involves assessing key risks according to their significance, likelihood and impact, in addition to the Group's exposure to and management of these risks. The Committee also assesses management's compilation of the Risk Register, the evaluation of risks, and the appropriateness of risk management strategies and systems in place to address the Group's emerging and principal business risks. In recognition of importance of the Committee's role in ensuring that the Board has confidence in the design and operation of wider risk management strategies and systems that management has in place, the Audit Committee is to be renamed the Audit and Risk Committee for the 2022 financial year and beyond.

External Audit

The reappointment of Ernst & Young LLP (EY) to conduct the Group audit engagement for the 2021 financial year was recommended by the Audit Committee to the Board and approved by shareholders at the Company's 2021 Annual General Meeting. Kevin Weston was lead audit partner for the reporting period in question. The Committee's choice of external audit provider is not restricted by any contractual obligations and was last put out to a competitive tender in 2018. The appointment of external auditors is reassessed annually.

It is vitally important that the Committee consider that its appointed external auditor conducts a full and effective audit, and that its performance is subject to annual review. In undertaking this review, as the Chair of the Audit Committee, I seek the opinion of fellow Committee members, the Chief Financial Officer and the views of certain members of management who have been exposed to or had input into the external audit process. The Committee reviews and approves both the external auditor's audit plan and its findings in respect of its audit of the Company's financial statements, monitoring these to ensure completeness, accuracy, clarity and integrity.

The Committee regularly monitors the objectivity and independence of the external auditor to ensure its continued effectiveness, value for money and compliance with statutory duties. The nature and extent of EY's non-audit services are also subject to consideration. In 2021, any non-audit work performed by EY continued to be managed separately from the audit workstream and distinct from the work undertaken by the external audit partner. The arrangement is viewed as the most cost-effective process to undertake the services in question. All non-audit work conducted by professional accounting firms is put out to tender. The Chief Financial Officer approves all non-audit work awards and fees paid to EY and reports any significant awards of work or payments to the Committee. For the 2021 financial year, EY's audit-related fees amounted to $2.2m and non-audit fees were $Nil.

Following a review at the conclusion of the audit of the Company's 2021 financial statements, the Committee was satisfied that EY continued to provide an effective audit.

On behalf of the Audit Committee

Paul Baines
Chair of the Audit Committee
8 March 2022

HUMAN RESOURCES COMMITTEE REPORT

Silla Maizey
Chair of the Human Resources Committee

Committee Members

Name	Position	Attendance
S Maizey	Chair	2/2
D Garman	Member	2/2
J Geddes	Member	2/2
J Thomson[1]	Member	2/2

Note:
1. Juliet Thomson sits on the HR Committee in her capacity as EVP People.

I am pleased to introduce the report of the Board constituted Human Resources (HR) Committee. The report summarises the Committee's focus and activities for the 2021 financial year.

Function and Responsibilities

The Committee operates under Terms of Reference that can be found on the Company's website. These were reviewed during 2021 following the 2020 Board Evaluation review. It was agreed that there were no changes required.

The Committee assists the Board in fulfilling its obligations relating to all HR matters to ensure standardisation of structure, polices and processes and ensure those workforce policies and practices are consistent with the Company's values and support its long-term sustainable success. The Committee does this by making recommendations to Executive Management and the Board with regard to all HR matters and monitoring and reporting to the Board matters reported to SpeakUp, the independent whistleblowing hotline available to all employees.

The Committee also has responsibility for overseeing the mechanism used by the Board to engage with the workforce and for monitoring wider workplace culture, both of which were key focus areas for the HR Committee in 2021 and areas that will continue to be kept under regular review.

Composition and Meetings

Juliet Thomson continued to sit on the HR Committee for the 2021 financial year, in her capacity as Executive Vice President, People. Juliet sits on the HR Committee with both Executive and Non-Executive Board members and provides updates to the Committee on global people related issues, and the Group's progress against its HR strategy.

I am pleased to report that during 2021, in addition to Committee members, other Board members regularly attended Committee meetings, demonstrating the Board's ongoing commitment to people related matters and to understanding the views of employees and what is important to them in the workplace. As can be seen from the table opposite and on page 80 of this Annual Report and Accounts 2021, the Committee convened twice during 2021, in May and October, and engaged frequently with Executive management and the Nomination Committee on matters such as Board composition, appointments and key people issues across the Group.

Continuing Impact of Covid

With Covid still impacting the business and the sector experiencing a second year of disruption, the Committee focused on the continued impact of the pandemic on the Company's workforce and the measures taken by the Company to ensure workforce safety, general wellbeing and measures taken to match workforce levels to varying travel restrictions introduced by governments in response to the Covid pandemic.

Vaccinations

Through a number of communication campaigns and policy changes, Executive and senior management encouraged all employees to get vaccinated against Covid to help protect themselves, their families, other colleagues and customers, as part of wider measures to ensure the working environment remains as safe as possible. In addition to this, Executive and senior management provided key messaging on hand hygiene, social distancing and mask wearing with a 'Hands, Space & Face' campaign along with the promotion of other safety procedures, the compliance of which was continually monitored by the internal operational audit function and reported to the Audit Committee.

Return to Work
A comprehensive and rigorous return to work programme supported those colleagues returning to the workplace after periods of prolonged absence. This programme provided refresher training and clear direction on safety requirements as a result of the changes to the operational working environment and congestion on many airfields across the operations.

Resourcing Challenges
As with many other industries across the world, ensuring that workforce levels were adjusted to reflect operations impacted by ongoing Covid travel restrictions was a critical focus during 2021. This coupled with challenging labour market dynamics in some locations meant that various measures were taken across our global business to ensure that operations were adequately resourced and to avoid interruption to the service provided to customers. The HR Committee was regularly briefed and consulted on the measures taken across the different geographical locations to combat resourcing challenges, including actions such as furloughing employees where necessary, temporary pay adjustments to reflect pandemic resourcing challenges and recruitment campaigns to attract employees in challenging labour market locations.

Progress During 2021
Linked to wider strategic priorities, the company's HR strategy was refreshed in 2021, to focus on the following three areas:
- Making Menzies a great place for our people to work;
- Passionate about growing our own talent; and
- Taking pride in getting the basics right.

As well has responding to the evolving challenges brought by the pandemic, the Committee was pleased to be able to report progress against this strategy in 2021, as outlined below.

	Responsibility	Main activities during 2021
Making Menzies a Great Place to Work – Workforce Engagement, Recognition and Wellbeing	Developing and keeping under review the method(s) by which the Board engages with the workforce ensuring that the engagement method(s) remains effective at all times.	**Employee Engagement** In May 2021, the Company opened its second global employee survey. The survey refocused the questions set to measure progress against the HR strategy. The Committee was encouraged to see an increase in engagement with the survey versus the prior year. There were positive scores across several areas of the business and acknowledgment that opportunities existed for improvement in certain areas such as ensuring employees have visibility of career opportunities, felt recognised for their hard work and clearer messaging that the Company prioritised safety. The Committee supported actions recommended by management to drive change in these areas, including: • a new Company wide recognition scheme to recognise and celebrate successes across the globe; • personal career development plans; • expanding the career development offering so that more people can access training to facilitate career progression; • promoting internal job opportunities more widely to existing employees; and • setting the tone from the top with Executive and senior management reinforcing the message that safety always comes first.

	Responsibility	Main activities during 2021
Making Menzies a Great Place to Work – Workforce Engagement, Recognition and Wellbeing (continued)		**Wellbeing** Another important emphasis of the Committee during 2021 was to review the actions taken by management to support the wellbeing of colleagues. The Company launched a global wellbeing hub supported by an awareness campaign, providing colleagues with access to a wide variety of materials covering physical and mental health and social wellbeing. A dedicated intranet resource was rolled out providing information on general wellbeing and insight into what many colleagues do to keep themselves mentally and physically fit and healthy. Executive and senior management, joined by a cross-section of other employees, took part in a video message to raise awareness and to reinforce the message that sometimes it's ok not to be ok. The video featured many dedicated colleagues in their own environments talking about the importance of wellbeing and what it means to them.
Passionate About Growing Our Own – Talent and Development	Succession planning, ensuring that the bench strength of future leaders is strong and diverse.	The Committee reviewed the results of the Company's talent and succession planning process across 115 key roles globally. Key actions taken forward from the review process include the introduction of personal development plans for all leaders and tracking actions via the monthly Business Performance Review process and the introduction of a female leaders programme. The Committee recommended that the results of the succession planning review be added to the Board agenda again in 2022 to review progress against agreed actions and to ensure that the bench strength within the Company is preserved and any potential succession gaps identified.
Equality, Diversity and Inclusion	Ensuring that the diversity at every level within the organisation is diverse and reflects the communities within which the Company operates.	In line with the Company's Equality, Diversity and Inclusion Policy, the Committee closely monitored actions the Company is taking in this space, and was pleased to see progress in a number of areas including: • the development of the Equality, Diversity and Inclusion Working Group, defining priorities and setting objectives with the overarching goal of shaping and leading positive change in this area through action; • the Company's participation in the UN Global Compact Target Gender Equality network, and the launch of its pilot women in leadership programme; and • the Company's commitment to IATA's '25by2025' initiative to advance gender balance, and diversity targets in place linked to the Company's wider environmental, social and corporate governance strategy, more details of which can be found on pages 40 to 55 of this Annual Report and Accounts 2021.

	Responsibility	Main activities during 2021
Taking Pride in Getting the Basics Right – Whistleblowing	Ensure arrangements are in place for the workforce to raise concerns, in confidence and anonymously, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up actions.	Following a review of the Company's confidential whistleblowing service, the Committee reviewed and approved the implementation of a new whistleblowing service called SpeakUp which enables all employees within the Company to report confidentially and in complete anonymity any concerns or serious breaches of our Code of Conduct, policies or ethical conduct that would otherwise not be reported. SpeakUp was successfully launched globally with a full communications and training campaign in January 2021 and has been universally well received. The Committee receives a SpeakUp report at each meeting with the Board receiving detailed SpeakUp reports at each meeting.

Looking Forward

As can be seen from the table above, despite a year of ongoing challenges presented by the impact of the Covid pandemic, significant progress was made against our HR strategy. This Committee will continue to review and monitor progress against that strategy during 2022, and developments made in the above areas.

Further information on the above matters can be found on pages 46 to 49 of this Annual Report and Accounts 2021.

On behalf of the Human Resources Committee

Silla Maizey
Chair of the Human Resources Committee
8 March 2022

REMUNERATION COMMITTEE REPORT

David Garman
Chair of the Remuneration Committee

The Remuneration Committee

Members

During 2021, the following Non-Executive Directors were members of the Remuneration Committee:

Name	Position	Attendance
D Garman	Chair	4/4
P Baines	Member	4/4
S Maizey	Member	4/4
H Lund[1]	Member	2/2
C Kappelhoff-Wulff[2]	Member	n/a

Notes:
1. Henrik Lund was appointed as a member of the Committee on 1 September 2021 following his appointment to the Board as a Non-Executive Director.
2. Christian Kappelhoff-Wulff stepped down as a member of the Remuneration Committee in February 2021 and did not attend any meetings in the reporting year.

In addition, Executive Directors and senior management may attend Committee meetings by invitation. Members of the Remuneration Committee have no personal financial interest (other than as shareholders) in the matters to be decided by the Remuneration Committee and no day-to-day involvement in the running of the business of the Group.

Key Remuneration Committee Activities in the Year

- Reviewed annual salaries and remuneration arrangements for the Directors and senior management to ensure they are commensurate with their level of responsibility with the Group and aligned with the Company's values.
- Reviewed achievement against targets set and determined no pay-out for the 2020 annual bonus in the context of business performance and the challenges in respect of Covid.
- Agreed award levels and set targets for the 2021 annual bonus (both financial and strategic objective measures) and proposed awards to be made in 2021 under the 2019 Long-Term Incentive Plan (**2019 LTIP**).
- Reviewed market and latest corporate governance updates to ensure the Remuneration Committee remained up to date against a backdrop of evolving governance landscape, expected and best practice.
- Reviewed and updated the Terms of Reference of the Remuneration Committee to ensure they reflect the requirements of the 2018 UK Corporate Governance Code (**Code**).
- Reviewed the current Directors' Remuneration Policy (**Current Policy**) in light of it nearing the end of its three-year shareholder approved term, agreed prospective changes to the Current Policy and commenced a consultation exercise with major shareholders prior to the year end.
- Agreed to postpone shareholder consultation and approval in respect of a new Directors' Remuneration Policy (**New Policy**) until later in 2022 (see further details in the Annual statement).

In addition, the Remuneration Committee has ensured that the Current Policy and practices are consistent with the six factors set out in Provision 40 of the Code:

- **Clarity**: The Current Policy is well understood by our Executive Directors and senior management team and has been clearly articulated to our major shareholders.
- **Simplicity**: The Committee is mindful of the need to avoid overly complex remuneration structures which can be misunderstood and deliver unintended outcomes. Therefore, a key objective of the Committee is to ensure that our Current Policy and practices are straightforward to communicate and operate.
- **Risk**: Our Current Policy has been designed to ensure that inappropriate risk-taking is discouraged and will not be rewarded. This objective will be achieved via: (i) the balanced use of both short and long-term incentives which employ a blend of financial, non-financial and shareholder return targets; (ii) the significant role played by equity in our incentive plans; and (iii) inclusion of malus/clawback provisions.

- **Predictability**: Our incentive plans are subject to annual, individual and/or share usage limits.
- **Proportionality**: There is a clear link between individual awards, delivery of strategy and our long-term performance. In addition, the significant role played by incentive/'at-risk' pay, together with the structure of the Executive Directors' service contracts, will ensure that poor performance is not rewarded.
- **Alignment to culture**: Our Current Policy is aligned to culture through the use of metrics in both the annual bonus and long-term incentive arrangements that measure performance against specific key result areas (KRAs) and is aligned to our shareholders' interests by creating sustainable long-term value, which can be seen by the stretching earnings and total shareholder return targets operated.

As noted above and in detail in the Annual Statement, while the Committee has decided to postpone the introduction of the New Policy until later in 2022, the Committee will ensure that the New Policy will be consistent with the six factors set out in Provision 40 of the Code.

Advisers to the Remuneration Committee
During 2021 the Remuneration Committee was advised by FIT Remuneration Consultants LLP (FIT). Total fees paid to FIT in relation to Executive remuneration consulting were $81,502 (ex VAT). FIT did not provide any other services to the Company during the year. FIT was appointed by the Remuneration Committee in 2019 and, as a member of the Remuneration Consultants' Group, voluntarily operates under the Code of Conduct in relation to Executive Remuneration Consulting in the UK. Each year the Chair of the Remuneration Committee agrees the protocols under which FIT will provide advice in order to support FIT's independence. In addition, legal advice was sought by the Remuneration Committee from the Company's solicitors, Dentons UK and Middle East LLP, where considered appropriate. The Executive Directors and senior executives also provided internal support and guidance to the Remuneration Committee where appropriate. They are, however, specifically excluded from involvement in any matters concerning the details of their own remuneration.

Annual Statement
I am pleased to present, on behalf of the Board, the Directors' Remuneration Report for the year ended 31 December 2021. This report is comprised of two parts, namely:

- this **Annual Statement**, which summarises our: (i) approach in respect of remuneration for 2021; and (ii) intended approach for 2022; and
- the **Annual Report on Remuneration**, which details payments and awards made to the Directors in 2021 under the Current Policy and explains the Committee's intended approach for 2022.

The Current Policy, which can be found on the Company's website at www.menziesaviation.com/investor-centre was approved at a general meeting of the shareholders on 17 September 2019 and will reach the end of its shareholder approved life in 2022. While the Committee was originally planning to bring the New Policy to the 2022 AGM, which includes a number of governance updates in respect of pension alignment, shareholding guidelines and malus and clawback provisions as per the Code (**Governance Updates**) and changes to incentive arrangements, as a result of the preliminary and unsolicited proposal from National Aviation Services Holding (**NAS**) to acquire the Company (**the Proposal**), the Committee suspended shareholder engagement on the New Policy. In reaching this decision, the Committee considered the restrictions contained in the City Code on Takeovers and Mergers in respect of shareholder engagement during a potential takeover scenario and the evolution of the Company's Register of Members since the Proposal was announced in February 2022 and the need therefore to engage with new shareholders regarding the New Policy. As such, shareholder approval for the New Policy will not be sought at the 2022 AGM. Instead, once matters relating to the Proposal are clearer, it is intended that a General Meeting be convened later in the year (the **2022 General Meeting**) at which shareholders will be asked to vote on the New Policy (and accompanying remuneration policy documents to the extent required). Shareholders will be notified in due course when a date for a 2022 General Meeting has been arranged.

2021 Remuneration
No salary increases were awarded to the Executive Directors with effect from 1 January 2021.

For the 2021 annual bonus plan, the Remuneration Committee reviewed Group underlying profit before tax performance and the performance KRAs which were set at the start of the year and covered a number of key operational and strategic areas. After reviewing the performance of the Company during 2021, noting the return to an underlying operating profit of $76m from a $24m loss in the prior year against a backdrop of challenges in respect of Covid, and following discussions with the Company's major shareholders, the Committee determined that bonuses equal to 100% of salary should be payable to the Executive Directors.

The Committee believes that as a direct result of strong commercial leadership, entrepreneurial direction and prudent cost control actions undertaken during 2021, the Executive Directors have successfully navigated the business through one of the most sustained and challenging periods in its 188-year history. As such, and in light of performance against the challenging profit and KRA performance targets which were set at the start of 2021, the Committee believes that it is appropriate to pay maximum bonuses capped at 100% of salary to Executive Directors for the 2021 reporting year.

In assessing the appropriateness of the bonus awards, the Committee was mindful of the extremely competitive commercial environment in which the Company operates, the need to retain, reward and incentivise its Executive team and the high level of personal achievement against the Executive Directors' stated KRAs set at the start of 2021, and recognises that the Executive Directors performed to an exceptionally high level throughout the year.

The Committee is also cognisant that no bonus or other elements of variable remuneration were paid to the Executive Directors in respect of the previous two financial years and of the measures taken in response to the pandemic (including taking temporary salary reductions in 2020).

The Committee also considered the broader stakeholder experience, including the level of government support received in certain countries, and as part of this, discussed the Committee's proposals with our major shareholders. The Committee is very grateful for the favourable feedback we received.

In respect of long-term incentive provision, the 50% of the 2019 LTIP awards based on EPS measured to 31 December 2021 will not vest as a result of the threshold growth target not being met. The remaining 50%, and 100% of the 2019 Transformation Incentive Plan (TIP) awards, are based on absolute Total Shareholder Return Targets measured to 31 December 2022 which will be assessed at the end of the financial year.

2022 Remuneration and New Policy
In light of the Proposal detailed above, the Committee will continue to operate the Current Policy until a New Policy is approved by shareholders at the 2022 General Meeting. In this respect, salary increases from 1 May 2022 are yet to be determined although they will be below the percentage awarded to the wider workforce and the annual bonus (currently capped at 100% of salary) will be based on profit and KRA targets. The Committee intends to revisit annual bonus potential, and long-term incentive provision as part of the New Policy at the 2022 General Meeting (in addition to a number of Governance Updates) and I very much welcome the opportunity to resume engagements with our shareholders on this in the near future.

On behalf of the Remuneration Committee

David N.C. Garman

David Garman
Chair of the Remuneration Committee
8 March 2022

Annual Report on Remuneration

Total Remuneration Received for the Year Ended 31 December 2021

The table below provides a single figure of remuneration for each member of the Board, broken down into each element of pay and compared to the previous year.

The table below is presented in British pounds throughout as this is the functional currency of the Company. The subsequent sections 1 to 8 are subject to audit by the Company's auditor.

	Base salary /fee[1] £000		Taxable benefits[2] £000		Annual bonus £000		LTIP[6] £000		Pension[3] total £000		Total remuneration £000		Total fixed remuneration		Total variable remuneration	
	2021	2020[1]	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Executive Directors																
P Joeinig	**405**	245	**90**	10	**405**	–	**–**	–	**–**	–	**900**	255	**495**	255	**405**	–
A Gomez-Reino	**285**	266	**42**	51	**285**	–	**–**	–	**29**	29	**641**	346	**356**	346	**285**	–
J Geddes	**275**	257	**15**	15	**275**	–	**–**	–	**55**	75	**620**	347	**345**	347	**275**	–
Non-Executive Directors																
P Baines	**51**[5]	43	**–**	–	**–**	–	**–**	–	**–**	–	**51**	43	**51**	43	**–**	–
D Garman	**92**	86	**–**	–	**–**	–	**–**	–	**–**	–	**92**	86	**103**	86	**–**	–
C Kappelhoff-Wulff	**46**	43	**–**	–	**–**	–	**–**	–	**–**	–	**46**	43	**46**	43	**–**	–
H Lund	**24**	0	**0**	–	**–**	–	**–**	–	**–**	–	**24**	0	**24**	0	**–**	–
S Maizey	**46**	43	**–**	–	**–**	–	**–**	–	**–**	–	**46**	43	**51**	43	**–**	–

Notes:
1. All Executive and Non-Executive Directors took a temporary 20% reduction in their salary/fee, commencing in April 2020 and ending in July 2020. The 20% reduction was not applied to pension contributions.
2. Taxable benefits offered to Executive Directors comprise a car allowance and health insurance. Due to restrictions on global travel as a result of Covid, Alvaro Gomez-Reino was unable to relocate during 2020 and 2021, as agreed at the point of his joining. As reported in the Annual Report and Accounts 2020, the Company incurred £9,000 of initial relocation costs on his behalf in 2020 and agreed to meet further relocation costs incurred by him during 2022.
3. Details of the pension arrangements for each of the Directors are included on page 113 of this Annual Report and Accounts 2021. The 20% reduction referred to in Note 1 above was not applied to pension contributions.
4. Along with other similarly impacted employees, John Geddes received a payment of £20,270 in 2020 in recognition of his consent to the closure to accrual of the Menzies Pension Fund in 2017. This is included in the pension total figure for 2020 above.
5. The figure of £51,000 reflects an increase to the fee paid to the Chair of the Audit Committee as a result of an increase to time commitment and responsibility in respect of this role. This change was effective from 1 September 2021 and further details are included at page 110 of this Annual Report and Accounts 2021.
6. Given that no long-term incentives vested in the year, or will vest in respect of performance to 31 December 2021, no remuneration above is attributable to share price appreciation.

1. Base Salary

Salaries of Executive Directors and other Company staff are reviewed annually. The current salaries for the Executive Directors are set out below and are usually reviewed annually on 1 May.

	2020	**2021**	Current
P Joeinig	£405,000	**£405,000**	£405,000
A Gomez-Reino	£285,000	**£285,000**	£285,000
J Geddes	£275,000	**£275,000**	£275,000

2. Deputy Chairman, Non-Executive Directors' and Chair Fees
The fee policy for Non-Executive Directors for 2022 is as follows:

	2021	2022	% increase for 2022
Deputy Chairman	**£80,000**	£80,000	0
Base fee	**£40,000**	£40,000	0
Committee Chair	**£6,000**	£6,000	0
Audit and Risk Committee Chair	**£6,000**	£21,000	0
Committee membership	**£2,500**	£2,500	0
Senior Independent Director	**£6,000**	£6,000	0

Directors receive one fee either for Board Committee chairmanship or Board Committee membership, irrespective of the number of Board Committees on which they serve or chair. The fees paid to Non-Executive Directors in respect of each of the positions detailed above are reviewed annually. Due to the increase in time commitment and responsibility of the role of Audit and Risk Committee Chair, taking into consideration the increasing focus on operational, financial and corporate risk, the fee for this role was increased from £6,000 to £21,000 per year. This fee change was effective from 1 September 2021.

Each of the fees set out in the above table were reviewed in March 2022 and it was agreed that no additional changes to the fee structure would be made at this time.

3. Annual Bonus for 2021
For 2021, bonus targets were set in the Group's previous presentational currency, British pounds, and were calculated as follows:

Financial performance (70% of awards)

Measure	Weighting (percentage of salary)	Threshold target	Stretch target	Performance	Overall achieved (percentage of salary)
Group's underlying profit before tax	70%	£45.1m	£56.3m	£63.8m	100%

KRA performance (30% of awards)
The KRAs for the Executive Directors were set at the start of the year and covered a number of key operational and strategic areas including:

	KRAs	Weight %	Committee assessment
Philipp Joeinig	1. Deliver a targeted reduction in safety and security incidents.	25%	Fully achieved
	2. Net debt to EBITDA ratio reduced to a targeted level.	25%	Fully achieved
	3. Targeted increase in net sales wins across the network.	25%	Fully achieved
	4. Successors identified for over 80% of senior management and their direct reports.	25%	Fully achieved
Alvaro Gomez-Reino	1. Deliver a targeted reduction in net debt to EBITDA.	33.3%	Fully achieved
	2. Targeted reduction in global days sales outstanding.	33.3%	Fully achieved
	3. Creation of a regional shared services financial support centre.	33.3%	Fully achieved

	KRAs	Weight %	Committee assessment
John Geddes	1. Targeted number of new investors acquiring a specified percentage of the issued share capital to be added to the share register.	33.3%	Fully achieved
	2. Development of sustainability road map and targets, creation of base line metrics and in alignment to three-year plan.	33.3%	Fully achieved
	3. Full review of corporate risk, business continuity and disaster recovery protocols.	33.4%	Fully achieved

Total Bonus Award

Name	Financial performance achieved (percentage of salary)	KRA performance achieved (percentage of salary)	Overall achieved (percentage of salary)	Cash value of award
P Joeinig	100%	100%	100%	£405,000
A Gomez-Reino	100%	100%	100%	£285,000
J Geddes	100%	100%	100%	£275,000

The Committee believes that as a direct result of strong commercial leadership, entrepreneurial direction and prudent cost control actions undertaken during 2021, the Executive Directors have successfully navigated the business through one of the most sustained and challenging periods in its 188-year history. As such, and in light of performance against the challenging profit and KRA performance targets which were set at the start of 2021, the Committee believes that it is appropriate to pay maximum bonuses capped at 100% of salary to Executive Directors for the 2021 reporting year.

In assessing the appropriateness of the bonus awards, the Committee was mindful of the extremely competitive commercial environment in which the Company operates, the need to retain, reward and incentivise its Executive team and the high level of personal achievement against the Executive Directors' stated KRAs set at the start of 2021, and recognises that the Executive Directors performed to an exceptionally high level throughout the year.

The Committee is also cognisant that no bonus or other elements of variable remuneration were paid to the Executive Directors in respect of the previous two financial years and of the measures taken in response to the pandemic (including taking temporary salary reductions in 2020).

The Committee also considered the broader stakeholder experience, including the level of government support received in certain countries, and as part of this, discussed the Committee's proposals with our major shareholders. The Committee is very grateful for the favourable feedback we received.

4. LTIP Awards Vesting in Respect of Performance Ending 31 December 2021

The vesting in respect of the 2019 LTIP awards granted to Executive Directors who were in post at the grant date (John Geddes only), which are due to vest in 2022 based on EPS performance for the year ended 31 December 2021 (50% of awards), are set out below. Performance in respect of the other 50% of awards based on absolute TSR targets up to the year ending 31 December 2022 will be assessed in due course.

Criteria	Weighting	Threshold target (25% vesting)	Stretch target (100% vesting)	Actual/expected attainment	Overall vesting (percentage of maximum)	Performance period
Earnings per share (EPS) to 31 December 2021	50%	RPI plus 3% p.a.	RPI plus 8% p.a.	Actual – below threshold	0%	To 31/12/2021
Total shareholder return (TSR) to 31 December 2022	50%	Final share price at end of TSR performance period is 752p[1]	Final share price at end of TSR performance period is 903p[1]	TBC	TBC	To 31/12/2022

Name	Performance Period ending	Shares granted	Expected shares vesting
J Geddes	31 December 2021	25,423	–
	31 December 2022	25,423	TBC

Note:
1. Calculated as the average share price during the three-month period ending on the last dealing day of the TSR performance period and adjusted for any dividends declared during the TSR performance period on the basis that any such dividends are reinvested in shares on the ex-dividend date.

5. LTIP Awards Granted in 2021

The following LTIP awards were granted on 15 March 2021:

	Basis of award granted	Nil-cost options awarded	Face value of awards	Maximum vesting	Percentage vesting for threshold performance	Vesting period (Performance period)
A Gomez-Reino	100% of salary	118,750	£285,000[1]	100%	25%	Three years from Date of Grant
J Geddes	100% of salary	114,583	£275,000[1]	100%	25%	(Three years to 31 December 2023)

Note:
1. Based on a share price of 240p at the date of grant.

As announced by the Company on 16 March 2021, the Remuneration Committee agreed that performance targets would be reviewed and set within six months of the Date of Grant and published by RNS announcement as soon as they were finalised. Accordingly, on 2 August 2021 the Company announced that the performance conditions would be based on relative TSR as measured against the constituents of the FTSE SmallCap excluding Investment Trusts as at 1 January 2021 (the Comparator Group). The sole use of relative TSR reflects the difficulty of setting long-term EPS targets during the Covid pandemic. Vesting will be calculated on the following basis:

- 0% of awards will vest if the Company's TSR is less than the median TSR of the Comparator Group.
- 25% of awards will vest if the Company's TSR is equal to the median TSR of the Comparator Group.
- 100% of awards will vest if the Company's TSR is equal to, or higher than, the median TSR of the Comparator Group plus 30 per cent.
- Vesting will be determined on a straight-line basis between threshold and maximum vesting points.
- Awards will vest subject to continued employment and the performance targets detailed above on 31 December 2023. In addition, dividend equivalents may be awarded in additional ordinary shares and a two-year holding period will apply to the extent that awards vest.

6. Scheme Interests as at 31 December 2021

Outstanding LTIP and TIP awards as at 31 December 2021 are shown below:

Name		31 Dec 2020	Granted during 2021	Market price of award	Vested during 2021	Lapsed during 2021	Gain/ (loss) £0	**31 Dec 2021**	Performance period
P Joeinig	TIP	850,000	–	390p	–	–	–	**850,000**	18/09/2019 -31/12/2022
A Gomez-Reino	LTIP	–	118,750	240p	–	–	–	**118,750**	1/1/2021 – 31/12/2023
	LTIP	95,000	–	115p	–	–	–	**95,000**	1/1/2020 – 31/12/2022
J Geddes	LTIP	36,603[1]	–	683p	–	36,603[1]	–	**36,603[1]**	1/1/2018 – 31/12/2020
	LTIP	50,925[2]	–	405p	–	–	–	**50,925[2]**	1/1/2019 – 31/12/2021
	LTIP	91,666	–	115p	–	–	–	**91,666**	1/1/2020 – 31/12/2022
	LTIP	–	114,583	240p	–	–	–	**114,583**	1/1/2021 – 31/12/2023

Notes:
1. This award lapsed following the Company's final results announcement on 9 March 2021.
2. As the performance criteria have not been achieved, this award shall lapse following the Company's final results announcement on 8 March 2022.

7. Total Pension Entitlements

John Geddes and Alvaro Gomez-Reino received cash payments of 20% of salary and 10% of salary respectively in lieu of pension contribution. The Executive Chairman does not receive any pension contribution.

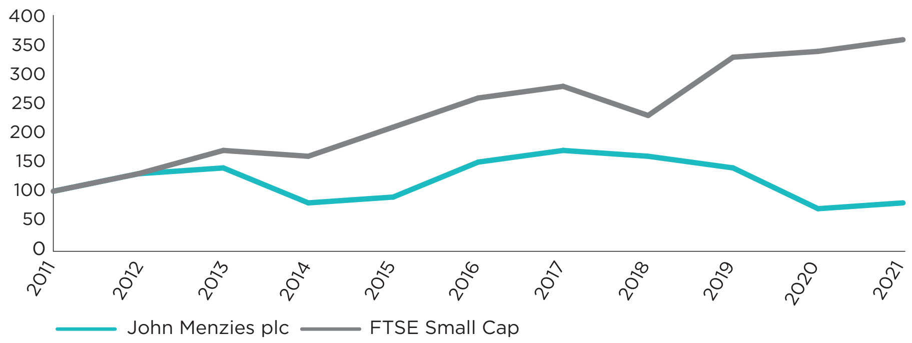
8. Directors' Shareholdings and Share Interests

Executive Directors are expected to build a shareholding in the Company of 200% of salary under the Remuneration Policy. The Remuneration Committee believes that shareholding guidelines of 200% of salary, coupled with post vesting holding periods on share awards create a strong, but proportionate, alignment with shareholders and further align Executive interests with sustained value creation. Executive Directors are given a period of time to build their shareholding in the Company. The following table shows Directors' shareholdings and share interests as at 31 December 2021:

	Number of ordinary shares owned (including Deferred Bonus Shares)	Unvested conditional ordinary shares subject to performance conditions	Unvested options over ordinary shares subject to savings contracts (SAYE)	Vested options exercised during 2021	Unvested conditional ordinary shares not subject to performance conditions	Shareholding guideline met
P Joeinig	2,541,379	850,000	–	–	–	Yes
A Gomez-Reino	292,413	213,750	–	–	–	Yes
J Geddes	71,219	257,174	–	–	–	No
D Garman	67,767	–	–	–	–	n/a
P Baines	6,448	–	–	–	–	n/a
C Kappelhoff-Wulff	1,294,827	–	–	–	–	n/a
S Maizey	12,346	–	–	–	–	n/a
H Lund	–	–	–	–	–	n/a

9. Ten Year Historical TSR Performance and Executive Director Pay

The following graph compares the Company's TSR for the ten years to 31 December 2021 with the equivalent performance of the FTSE SmallCap Index.



The Large and Medium-sized Companies and Groups (Accounts and Report) Regulations 2008 (the **Regulations**) require companies to show the total remuneration of any director who undertakes the role of Chief Executive Officer (**CEO**) in each of the last ten years. As the Company's Executive structure did not include the role of CEO prior to October 2014 and between 13 January 2016 and 5 September 2018, the following table shows the required figures for the highest paid Director in each year:

Highest Paid Director in a year	2012: Dollman	2013: Smyth	Jan.-Oct. 2014: Smyth	Oct.-Dec. 2014: Stafford	2015: Stafford	1/1/16–13/1/16: Stafford	13/1/16–31/12/16: Black	2017: Wilson	2018: Black	1/1/19–13/3/19 Black	13/3/19–31/12/19 Wilson	1/1/20–31/8/20 Wilson	1/9/20–31/12/20 Joeinig	2021: Joeinig
Role	Group Finance Director	Group Finance Director	MD. Menzies Aviation	CEO	CEO	CEO	President & MD. Menzies Aviation	Chief Financial Officer	CEO	CEO	CEO	CEO	Chairman & CEO	Chairman & CEO
Total remuneration (£000)	1,735	1,203	725	167	493	41[1]	648	1,240	1,308	97[2]	397[3]	249	135[4]	900
Annual bonus award (percentage of maximum)	63%	46%	–	45%	–	–	95%	98%	98%	–	–	–	–	100%
Long term incentive vesting (percentage of maximum)	100%	84%	–	n/a	–	–	–	100%	100%	–	–	–	–	–

Notes:
1. A payment of £65,200 (gross) was also made to Jeremy Stafford for loss of office together with a contribution of £4,000 plus VAT towards legal fees incurred in connection with his loss of office.
2. Forsyth Black received a gross payment of £94,000 for his loss of office together with a maximum contribution of £10,750 plus VAT towards legal fees incurred in connection with his leaving. Forsyth Black received an annual bonus for the financial year ending 31 December 2019, commensurate to time served in that financial year and calculated in accordance with normal procedures after the end of the financial year.
3. Giles Wilson held the position of Chief Financial Officer until 12 March 2019 following which he was appointed Interim Chief Executive Officer. On 6 June 2019 Giles Wilson was confirmed as the Company's Chief Executive Officer on a permanent basis.
4. Giles Wilson's employment with the Company ended on 31 August 2020, following which Philipp Joeinig was appointed in a combined role of Executive Chairman & Chief Executive Officer.

10. Percentage Change in Remuneration

The percentage change in remuneration between 2020 and 2021, excluding TIP, LTIP and pension contributions, for the Chief Executive, Chief Financial Officer, Non-Executive Directors and for other employees in the Group on a full-time equivalent basis was as follows:

	Percentage change 2020 – 2021			Percentage change 2019 – 2020		
	Wages and salaries[1]	Benefits	Annual bonus	Wages and salaries[1]	Benefits	Annual bonus
Executive Directors						
P Joeinig	65%	805%	100%	125%	0%	0%
A Gomez-Reino	7%	-17%	100%	-7%	22%	0%
J Geddes	7%	1%	100%	-3%	0%	0%
Non-Executive Directors						
D Garman	7%	–	–	22%	–	–
P Baines	19%	–	–	-7%	–	–
C Kappelhoff-Wulff	7%	–	–	-7%	–	–
S Maizey	7%	–	–	-7%	–	–
H Lund[2]	–	–	–	–	–	–
Employee Population	1%	-1%	618%	-15%	-3%	-50%

Notes:
1. All Executive and Non-Executive Directors took a temporary 20% reduction in their salary/fee, from April to July 2020.
2. Henrik Lund was appointed as a member of the Board in June 2021 so is not included in the above disclosures.

11. Relative Importance of Spend on Pay

The Group's total spend on employee remuneration during 2021 and the immediately preceding financial year is reflected in the following table:

	2020	**2021**
Group employee remuneration costs in British pounds	£419.9m	**£463.6m**
Dividend distribution	£Nil	**£Nil**
Share buyback	£Nil	**£Nil**

12. CEO Pay Ratio

The data shows how the CEO's single figure remuneration for 2021 compares to equivalent single figure remuneration for full-time equivalent UK employees, on a Group basis, ranked at the 25th, 50th and 75th percentile. Prior year data is also presented.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2021	Option A	45 : 1	38 : 1	30 : 1
2020	Option A	22 : 1	18 : 1	14 : 1

In calculating the single total figure of Remuneration for the CEO, total remuneration for Philipp Joeinig in 2021, as taken from the single figure table on page 109 of this Annual Report and Accounts 2021, was used. In calculating the single total figure of Remuneration for the CEO in 2020, total remuneration for Giles Wilson and Philipp Joeinig was pro-rated to reflect the time served by each individual as CEO in 2020.

In calculating the remuneration for the three comparators, the prescribed methodology for Option A was used. Their earnings can be summarised as follows:

	Salary			Total pay and benefits		
Year	25th %tile	Median	75th %tile	25th %tile	Median	75th %tile
2021	£19,289	£22,777	£28,061	£19,876	£23,790	£29,890
2020	£19,829	£22,600	£30,809	£20,337	£24,946	£31,724

Given that the Company has used the most statistically robust method of calculating the CEO pay ratio (Option A), the median ratio is considered to be consistent with the Company's wider policies on employee pay, reward and progression.

13. Remuneration Resolutions

The table below provides the results of the 2020 Directors' Remuneration Report resolution, tabled at the Company's 2021 AGM, and the 2019 Directors' Remuneration Policy resolution, tabled at the Company's general meeting in September 2019:

Resolution	Votes for	Percentage	Votes against	Percentage	Votes total	Votes withheld
2019 Directors' Remuneration Policy	47,254,089	82.98%	9,690,558	17.02%	56,944,647	13,196
2021 Directors' Remuneration Report	42,383,658	97.15%	1,243,097	2.85%	43,626,755	346,652

At our 2022 AGM, there will be one remuneration-related resolution presented, being the normal annual advisory vote on our Report on Directors' Remuneration for the year ended 31 December 2021.

14. Implementation of the Remuneration Policy for 2022
In light of the Proposal detailed above, the Committee will continue to operate the Current Policy until a New Policy is approved by shareholders at the 2022 General Meeting. In this respect, salary increases from 1 May 2022 are yet to be determined although they will be below the percentage awarded to the wider workforce and the annual bonus (currently capped at 100% of salary) will be based on profit and KRA targets. The Committee intends to revisit annual bonus potential, and long-term incentive provision as part of the New Policy at the 2022 General Meeting (in addition to a number of Governance Updates).

On behalf of the Remuneration Committee

David Garman
Chair of the Remuneration Committee
8 March 2022

STRATEGIC COMMITTEE REPORT

Christian Kappelhoff-Wulff
Chair of the Strategic Committee

Committee Members

Name	Position	Attendance
C Kappelhoff-Wulff	Chair	4/4
P Joeinig	Member	4/4
D Garman	Member	4/4
A Gomez-Reino	Member	4/4
H Lund[1]	Member	2/2

Note:
1. Henrik Lund was appointed as a member of the Committee on 1 September 2021 following his appointment to the Board as a Non-Executive Director. Henrik attended the Committee meeting held on 26 August 2021 but had not been formally appointed as a Committee member at this point.

I am pleased to introduce the report of the Board-constituted Strategic Committee for the 2021 financial year. The Strategic Committee is chaired by me, Christian Kappelhoff-Wulff and comprises Executive and Non-Executive Directors. In addition to Strategic Committee members, other Board members and members of senior management also regularly attended Committee meetings throughout the year, demonstrating the Board's ongoing commitment to strategy development and execution.

The Strategic Committee convened four times during 2021 assisting the Board in evaluating the delivery of the Company's strategy and key strategic decisions, including significant capital investments and any potential merger, disposal and/or acquisition activity.

Terms of Reference
The Committee operates under Terms of Reference that can be found on the Company's website. These were reviewed during the reporting year to ensure they were reflective of feedback from the 2021 Board Evaluation outcomes, further details of which can be found on pages 88 and 89 of this Annual Report and Accounts 2021. As part of this evaluation, the regularity and effectiveness of Committee meetings were assessed and it was agreed by the Board that the Committee would benefit from meeting outside the ordinary Board and Committee schedule with meetings held on a quarterly basis (or as is otherwise required or determined by the Board) to allow for sufficient time to review, discuss and analyse progress made against the Company's strategic pillars and to discharge its other key areas of responsibility.

Role and Responsibilities
The main responsibilities of the Committee are to: (i) consider and review (and, where the Committee thinks appropriate, recommend to the Board) all potential acquisitions and disposals of any business or business unit or significant asset by any member of the Group which may be contemplated by the Group as well as any proposed merger, joint venture, profit sharing or similar transaction involving any member of the Group; (ii) the review of key strategic projects; (iii) the review of industry developments surrounding merger and acquisition activity in the Aviation sector; and (iv) the review of major organic ventures requiring significant capital expenditure. The Strategic Committee also has oversight of the Company's strategy, which feeds into overall strategic planning and any proposed diversification into new products, services or markets.

Examples of key activities undertaken in the reporting year involved reviewing and recommending to the Board:
- entry into a five-year cargo handling contract with Avianca Cargo at their Miami International Airport hub, processing approximately 250,000 tonnes of cargo per year. This contract was won as part of a competitive tendering process and represents one of the most significant cargo contract wins in the Company's history;
- the establishment of a global partnership with Plaza Premium Group (PPG), an industry leader in innovating global airport hospitality services. This partnership will allow the Company and PPG to expand their airport lounge networks along with developing other ancillary services;

- entry into new multi-year ground services and cargo handing contract wins with Qantas Airways at Perth, Brisbane, Cairns and Darwin and a ground services contract with Jetstar Airways at its Melbourne hub. Together these new contracts represent significant expansion in a commercially and strategically important region for the Company, increasing the breadth of the Company's services offering;
- the $4.6m investment to acquire a minority equity stake in a joint venture with Guangzhou JFreight Aviation Logistics Supply Chain Co. Ltd (JFreight) to manage and operate a new cargo terminal at Guangzhou Baiyun International Airport in China, one of the world's busiest airports, on behalf of the shareholders of JFreight. This investment creates a strong platform for the Company in an attractive growth market and demonstrates further delivery against the Company's strategic pillars; and
- the acquisition of a controlling interest in Interexpresso Costa Rica Corporación ILC, S.A. and associated companies (Interexpresso) which expanded the Company's footprint in Central America, an exciting growth market. Interexpresso is an aviation service provider operating in Central America and headquartered in Costa Rica. Interexpresso's core business relates to cargo handling and aviation security services, primarily consisting of cargo document handling, cargo security screening and aircraft access control. Interexpresso's operations are based in San Jose, Costa Rica, with additional operations in Guatemala and El Salvador.

Additional information on the key areas of the Group's strategy can be found on pages 14 and 15 of this Annual Report and Accounts 2021.

I look forward to reporting to you next year on the activities undertaken in 2022 as we aim to deliver our defined strategy and return to a normalised trading environment.

On behalf of the Strategic Committee

Christian Kappelhoff-Wulff
Chair of the Strategic Committee
8 March 2022

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The following sections provide information on those items which are required to be included in this Directors' Report pursuant to the requirements of the Companies Act 2006 (the 2006 Act), the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013) (the 2013 Regulations), the Companies (Miscellaneous Reporting) Regulations 2018 and the Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority (the FCA). Some items are incorporated by reference into this Directors' Report, as detailed below.

Directors

All of the Directors who served during 2021 are shown in the table below. Biographies of those Directors who were in office at the end of 2021 are included on pages 76 and 77 of this Annual Report and Accounts 2021 and all of these Directors held office throughout 2021.

Current Directors' interests in the Company's ordinary shares of £0.25 each (the Ordinary Shares), including any interests held by persons closely associated with the Directors, were as follows:

Name	Position	Appointed		**31 December 2021**	31 December 2020
P Joeinig	Executive Chairman & CEO	Appointed Jun. 2017	Beneficial	**2,541,379**	1,300,000
D Garman	Deputy Chairman	Appointed Jun. 2015	Beneficial	**67,767**	40,871
A Gomez-Reino	Chief Financial Officer	Appointed Dec. 2019	Beneficial	**292,413**	–
J Geddes	Corporate Affairs Director & Group Company Secretary	Appointed Nov. 2016	Beneficial	**71,219**	67,771
P Baines	Non-Executive Director	Appointed Jun. 2016	Beneficial	**6,448**	3,000
C Kappelhoff-Wulff	Non-Executive Director	Appointed May 2019	Non-beneficial	**1,294,827**	5,450,643
S Maizey	Non-Executive Director	Appointed May 2014	Beneficial	**12,346**	5,450
H Lund	Non-Executive Director	Appointed May 2021	Beneficial	**–**	–

There have been no subsequent changes to these interests as at 8 March 2022.

No Director had any material interest in any contract, other than a service contract or letter of appointment as set out in the correct Directors' Remuneration Policy which can be found on the Company's website at www.menziesaviation.com/investor-centre.

Substantial Shareholders

In addition to the Directors' interests set out above, the Company had been notified of the following interests of 3% or more in its Ordinary Shares as at 31 December 2021 and 8 March 2022:

	Number of Ordinary Shares as at 8 March 2022	Percentage of issued Ordinary Shares as at 8 March 2022	**Number of Ordinary Shares as at 31 December 2021**	Percentage of issued Ordinary Shares as at 31 December 2021
Agility Strategies Holding Ltd	17,433,893	18.97	**–**	–
Sterling Strategic Value Fund S.A	–	–	**6,595,729**	7.18
Mithaq Capital	–	–	**6,097,025**	6.63
DC Thomson & Company Limited	4,304,488	4.68	**4,304,488**	4.68
Maven Investment Partners	3,765,345	4.09	**–**	–
Axxion S.A.	3,385,958	3.68	**3,909,013**	4.25

Directors' and Officers' Liability Insurance
In accordance with the 2006 Act and the Company's articles of association (the Articles), the Company has arranged qualifying third party indemnities against financial exposure which the Directors may incur in the course of their professional duties for the Company. In addition to these indemnities, the Company has in place Directors' and Officers' liability insurance cover for each Director.

Dividends
In accordance with the Company's Full Year Results 2021 released to the London Stock Exchange on 8 March 2022, the Board believed it prudent and in the best interests of shareholders to continue the temporary suspension of the dividend on the Ordinary Share and therefore, recommended not paying a final dividend or interim dividend for the year.

Dividends on the 9% Cumulative Preference Shares will be paid on 1 April 2021 and 1 October 2021.

Political Donations
In accordance with its policy, the Group did not give any money for political purposes nor did it make any donations to political organisations or independent candidates or incur any political expenditure during 2021.

Financial Risk Management Objectives and Policies
The financial risk management objectives and policies, including the policy for hedging each major type of forecasted transaction for which hedge accounting is used, are detailed in Note 16 to the Accounts contained in this Annual Report and Accounts 2021, which information is incorporated by reference into this Directors' Report.

Exposure to Risk
The risk exposure of the Group, including the exposure to price risk, credit risk, liquidity risk and cash flow risk, is included in Note 16 to the Accounts contained in this Annual Report and Accounts 2021, which information is incorporated by reference into this Directors' Report.

Financial Instruments
Details of the use of financial instruments and financial risk management are included in Note 16 to the Accounts contained in this Annual Report and Accounts 2021, which details are incorporated by reference into this Directors' Report.

Workforce Engagement
Details of how the Company engaged with its workforce during the period are contained in the Strategic Report (pages 46 to 49) and the Human Resources Committee Report (pages 102 to 105) which details are incorporated by reference into this Directors' Report.

Customer and Supplier Engagement
Details of how the Company engaged with its customers and suppliers are contained in the Strategic Report (pages 66 to 71) of this Annual Report and Accounts 2021 which details are incorporated by reference into this Directors' Report.

Events after the Reporting Period
In January 2022, a proposal regarding a cash offer was received from National Aviation Services, a subsidiary of Agility Public Warehousing Co K.S.C., for the shares of John Menzies plc. On 21 February 2022, the Board indicated it would be willing to recommend this offer to shareholders, subject to the satisfactory resolution of other terms of the offer.

Following the Russian invasion of Ukraine on 24 February 2022, the Board has considered the impact on the Group's operations and continue to monitor the developing situation. Whilst the Group does not have any operations in Ukraine and Russia, and therefore there is no exposure in terms of revenue arising in these territories, we are continuing to monitor any wider impacts on air travel and recognises that these are difficult to fully assess at this time.

Outlook
An indication of the likely future developments in the business of the Company (and the subsidiaries included in its consolidation) is included in the Strategic Report section of this Annual Report and Accounts 2021 (pages 1 to 71), which details are incorporated by reference into this Directors' Report.

Research and Development
The Company (nor any subsidiaries included in its consolidation) is not actively involved in activities in the field of research and development.

Geographical Spread
The Company operates in 38 countries worldwide and details of this geographical spread can be found on pages 2 and 3 of this Annual Report and Accounts 2021, which details are incorporated by reference into this Directors' Report.

Employment Policies
Policies regarding the hiring, continuing employment and training, career development and promotion opportunities for all employees both in the UK and worldwide, together with reports on employee involvement and representation, are contained in the Responsible Business section of this Annual Report and Accounts 2021 (pages 40 to 65), which details are incorporated by reference into this Directors' Report.

At the end of 2021 the split of male to female employees in the Group was:

Employee Group	Male	Female
Directors	7	1
Decision-makers	231	71
All employees	19,812	7,412

Full and fair consideration is given to all applications for employment. Group policies dictate that during the recruitment process all individuals are treated equitably, including those with disabilities. Where employees become disabled whilst employed by the Group we would seek to ensure that their employment could continue or alternative employment arranged whenever reasonable and practicable to do so, subject to any necessary training taking place and making reasonable adjustments where necessary. All employees, irrespective of whether they have a physical or mental disability, are given the same opportunities within the Group in terms of training, career development and promotion. Our policies and procedures for recruitment, training, promotion and reward promote equality of opportunity, regardless of background and personal circumstances.

Policy and Practice on Payment of Creditors
The Group does not operate a standard code in respect of payments to suppliers, with each operating business responsible for agreeing the terms and conditions under which business transactions with its suppliers are conducted, including the terms of payment. It is Group policy that payments to suppliers are made in accordance with the agreed terms, provided that the supplier has performed in accordance with all relevant terms and conditions. The amount owed to trade creditors represented 35 days of purchases from suppliers (2020: 31 days).

Audit Information
So far as the Directors in office at the date of signing of this Directors' Report are aware, having made the requisite enquiries, there is no relevant audit information (as defined in section 418 of the 2006 Act) of which the Company's auditor is unaware, and each Director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. Resolutions to re-appoint Ernst & Young LLP as auditor of the Company and to authorise the Board to set its remuneration will be proposed at the Company's next annual general meeting (AGM).

Share Capital and Structure

The Company has two classes of shares: the Ordinary Shares of £0.25 each and preference shares of £1.00 each (the Preference Shares). As at 31 December 2021 the Company had an issued share capital comprising 1,394,587 Preference Shares (representing approximately 1.5% of the Company's issued share capital) and 92,082,264 Ordinary Shares (representing approximately 98.5% of the Company's issued share capital). Of these 92,082,264 Ordinary Shares, 184,769 were held as treasury shares. It is the Company's policy that shares held in treasury are to be used for the satisfaction of shareholder approved executive share plan awards. No shares in the capital of the Company can be allotted at a discount nor can they be allotted except as paid up both in regard to nominal amount and premium to the minimum extent permitted by the 2006 Act.

Further details on rights attaching to shares under employee share schemes can be found on be found on pages 182 and 183 of this Annual Report and Accounts 2021, which details are incorporated by reference in this Directors' Report.

Articles of Association

Transfer of shares

There are no restrictions on the transfer of shares in the Company other than as contained in the Articles. Subject to the Articles, the Admission and Disclosure Standards of the London Stock Exchange and any requirements of the FCA, the Directors may refuse to register a transfer of a certificated share that is not fully paid provided that this power will not be exercised so as to disturb the market in the Company's shares.

Voting rights

Deadlines for exercising voting rights and appointing a proxy or proxies to vote on the resolutions to be considered at the Company's next AGM will be specified in the relevant Notice of AGM. Every ordinary shareholder present in person or by proxy at a general meeting of the Company shall, on a show of hands, have one vote unless, in the case of the latter, they have been appointed by more than one shareholder and have received instructions to vote both in favour of and against the same resolution in which case they will have one vote against that resolution and one vote for. On a poll, every shareholder of the Company present in person or by proxy at a general meeting of the Company shall have one vote for every share which they hold and, if the holders of the Preference Shares have the right to vote on any resolution, each such holder shall have one vote for every Preference Share which they hold.

The holders of the Preference Shares shall have no right to receive notice of or attend or vote at any general meeting of the Company unless either:

(i) at the date of the notice convening the meeting the dividend payable on such Preference Shares or a part thereof is six months or more in arrears; or

(ii) the business of the meeting includes the consideration of a resolution for reducing the capital of or winding-up the Company or for altering the objects of the Company as stated in its Articles or for the sale of the undertaking of the Company or any substantial part thereof or any resolution altering or abrogating any of the special rights or privileges attaching to the Preference Shares, in which circumstances the holders of the Preference Shares shall have the right to vote on any such resolution.

The Company is not aware of any arrangement by which, with the Company's cooperation, financial rights carried by its shares are held by persons other than the holders of its Ordinary Shares or Preference Shares. The Company is not aware of any agreement between holders of its shares which may result in restrictions on the transfer of its shares or on voting rights attaching thereto.

Allotment and Issue of Shares

At the 2021 AGM, the Directors sought authorisation to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company, up to an aggregate nominal amount of £14,051,032 of which any amount in excess of £7,025,516 may only be applied to fully pre-emptive rights issues. Such authority and power will expire at the Company's next AGM (or, if earlier, close of business on 30 June 2022) unless previously revoked, varied or renewed. It is proposed that such authority and power be renewed by shareholder resolution at this AGM but without prejudice to the exercise of any such authority and power prior to the date of such resolution.

Purchase of Own Shares
The Company is, by shareholder resolution passed at the 2021 AGM, authorised to purchase up to 8,430,619 of its Ordinary Shares at a maximum price which is the higher of:
(i) an amount equal to 105% of the average of the middle market quotations for such Ordinary Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the date of conclusion of the contract for any such purchase; and
(ii) the amount stipulated by Article 5(1) of the EU Buy-back and Stabilisation Regulation 2003 (being the higher of the price of the last independent trade and the highest current independent bid for an Ordinary Share on the trading venues where the market purchases by the Company will be carried out), and at a minimum price of £0.25 per Ordinary Share.

The Company is also, by shareholder resolution passed at the 2021 AGM, authorised to purchase up to 1,394,587 of its Preference Shares at a maximum price which is the higher of:
(i) an amount equal to 110% of the average of the middle market quotations for such Preference Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the date of conclusion of the contract for any such purchase; and
(ii) the amount stipulated by Article 5(1) of the EU Buy-back and Stabilisation Regulation 2003 (being the higher of the price of the last independent trade and the highest current independent bid for a Preference Share on the trading venues where the market purchases by the Company will be carried out), and at a minimum price of £1.00 per Preference Share.

As at the date of this Annual Report and Accounts 2021, no shares have been purchased pursuant to the authorities approved by shareholders at the 2021 AGM. These authorities will expire at the Company's next AGM (or, if earlier, close of business on 30 June 2022) when it is proposed that they be renewed but without prejudice to the exercise of any such authorities prior to the date of such resolutions being put to the Company's shareholders.

Directors
Appointment of Directors
Directors may be appointed by the Company by an ordinary resolution of its shareholders. The Board may appoint a Director either to fill a vacancy or as an additional Director and any Director so appointed shall hold office only until the next AGM of the Company following such appointment and shall then be eligible for re-appointment. If not re-appointed at such AGM, such a Director will vacate office at its conclusion except where a resolution is passed to appoint someone in their place (other than with effect from a time later than the conclusion of the AGM) or a resolution for their re-appointment is put to the AGM and lost (in either which case the retirement takes effect from the passing of the relevant resolution).

All new Directors take part a comprehensive and extensive induction programme with senior management across the business and are also provided with ongoing training, as and when it may be required, with documentation on the Company and its activities distributed to Directors on a regular basis. Further details in respect of the induction and training of Directors can be found on pages 87 and 89 of this Annual Report and Accounts 2021, which details are incorporated by reference in this Directors' Report. A Director is not required to hold shares in the capital of the Company.

Retirement of Directors
In accordance with best practice principles of corporate governance, all Directors shall retire at each AGM of the Company.

Directors' powers
The business of the Company shall be managed by the Board which may exercise all the powers of the Company, whether relating to the management of its business or otherwise, subject to any restrictions contained in the Articles which detail the specific powers of the Directors. Copies of the Articles may be obtained from the Group Company Secretary or from the Company's website at www.menziesaviation.com.

Directors' conflicts
The Articles permit the Board to consider and authorise situations where a Director has an actual or potential conflict of interest in relation to the Group. The Company maintains a conflicts of interests register which is reviewed annually by the Board. In addition, prior to each Board meeting, the Directors are asked to declare any conflicts they may have with regard to the business of the meeting. Directors who declare a conflict of interest may be authorised by the rest of the Board to participate in decision-making in accordance with section 175 of the 2006 Act.

Amendments to the Articles
The Articles can only be amended by a special resolution of the Company's shareholders in general meeting.

Significant Agreements – Change of Control
The Group has agreements in place with suppliers and customers, some of which contain change of control clauses giving rights to these suppliers and customers, such as termination rights, on a takeover bid for the Company. A change of control of the Company following a takeover bid may cause a number of other agreements to which the Company or any of its subsidiaries are a party, such as banking arrangements, property leases and licence agreements, to take effect, alter or terminate. Additionally, the Directors' service agreements and employee share plans would be similarly affected upon a change of control.

Emissions Reporting
The information required to be included in this Directors' Report pursuant to the 2013 Regulations in respect of greenhouse gas emissions and energy consumption is included in the Responsible Business section of this Annual Report and Accounts 2021 on pages 56 to 59, which information is incorporated by reference into this Directors' Report.

Notice of the Company's forthcoming AGM will be circulated to shareholders in due course.

Approved and issued by the Board of Directors.

On behalf of the Board of Directors

John Geddes
Corporate Affairs Director & Group Company Secretary
8 March 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report, Directors' Remuneration Report and the financial statements in accordance with applicable United Kingdom 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 Group and parent company financial statements in accordance with UK-adopted international accounting standards ('IFRS'). 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 Group and the Company and of the profit or loss of the Group and the Company for that period.

Under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, the Group's financial statements are required to be prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK Endorsement Board.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's and Company's financial position and financial performance;
- in respect of the Group's financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained it the financial statements;
- in respect of the parent company financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company and/or the Group will not continue in business.

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

Under applicable law and regulations, the Directors are also responsible for preparing the Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Directors' Statement Pursuant to the Disclosure Guidance and Transparency Rules

Each of the Directors, whose names and functions are listed on pages 76 and 77 of this Annual Report and Accounts 2021, confirms to the best of their knowledge that:

- the consolidated financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company and undertakings included in the consolidation taken as a whole;
- the Annual Report and Accounts 2021 including the Strategic Report included on pages 1 to 71, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- they consider the Annual Report and Accounts 2021, taken as a whole to be, fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Approved and issued by the Board of Directors.

On behalf of the Board of Directors

John Geddes
Corporate Affairs Director & Group Company Secretary
8 March 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN MENZIES PLC

Opinion

In our opinion:

- John Menzies plc's group financial statements and parent company financial statements (the 'financial statements') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of John Menzies plc (the 'parent company' or 'company') and its subsidiaries (the 'group') for the year ended 31 December 2021, which comprise:

Group	Parent Company
Consolidated balance sheet as at 31 December 2021	Balance sheet as at 31 December 2021
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Statement of cash flows for the year then ended
Consolidated statement of changes in equity for the year then ended	Related notes 1 to 14 to the financial statements including a summary of significant accounting policies
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 25 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

Material uncertainty related to going concern

We draw attention to Note 1 and Note 25 in the financial statements, which indicates that post year end, an offer was received for the shares of the company. On 21 February 2022, the board indicated it would be willing to recommend the offer at the financial terms of the final proposal from the bidder to shareholders, subject to the satisfactory resolution of other terms of the offer.

The board has identified that, if the offer for the company completes during the going concern assessment period and the lenders request repayment under the change of control clause, in the event that alternative financing arrangements were not in place, there would be a material uncertainty surrounding the company's financing arrangements, which may cast significant doubt upon the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company and group were unable to continue as a going concern. Our opinion is not modified in respect of this matter.

We also draw attention to the viability statement in the Annual Report on page 31, which indicates that an assumption to the statement of viability is the group's ability to continue to access facilities from lenders or alternative financing arrangements if the offer for the company completes. The board consider that the material uncertainty referred to in respect of going concern may cast significant doubt over the future viability of the group and company should these events arise. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

How we evaluated management's assessment and the key observations arising with respect to that evaluation:

Risk assessment procedures
- We have obtained an understanding of management's basis for use of the going concern basis of accounting. To challenge the completeness of this assessment, we have independently identified factors that may indicate events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. Events or conditions were identified, and we have designed our audit procedures to evaluate the effect of these risks on the entity's ability to continue as a going concern.
- We reviewed regulatory news service reports and press releases from the group in relation to the cash offer as set out in Note 25 of the financial statements in order to consider the impact on the entity's going concern assessment.

Management's method
- In conjunction with our walkthrough of the group's financial statement close process, we confirmed our understanding of management's going concern assessment process and the review of the going concern assessment by the board of directors. We engaged with management early to ensure all key factors were considered in their assessment;
- We obtained management's board approved forecast cash flows and covenant calculation covering the period of assessment from the date of signing to 31 December 2023. The group has modelled a number of adverse scenarios in their cash forecasts and covenant calculations in order to incorporate the impact that prolonged international travel restrictions could have on the delayed recovery of the business;
- Using our understanding of the business, we evaluated whether the forecasting method adopted by management in assessing going concern and concluded it to be appropriate;
- We performed a walkthrough of the method and observed that the forecasts were prepared by local management in each jurisdiction with oversight from group management. We consider this to be appropriate given the rate of volume recovery from Covid differs by geography;
- We tested to ensure that the forecasts were mathematically accurate and considered past historical accuracy of management's forecasting;
- We inquired of management as to its knowledge of events or conditions beyond the period of management's assessment and read a variety of external aviation market sector recovery sources to challenge and corroborate management's macro assumptions used in the assessment, including the impact of climate change. In doing so, we also considered the consistency of information obtained from other areas of the audit such as the forecasts used for impairment and viability assessments.

Assumptions, stress testing and management's plans for future actions
- We determined whether there was appropriate evidence for the ground services revenue and cost assumptions underlying the assessment through assessing management's assumptions as a percentage of pre-Covid 2019 actual results and comparing these to external aviation market sector recovery sources and considered whether there was any indication of management bias;

- We evaluated the appropriateness of the cargo assumptions used in management's model by comparison to historic actual growth the business has experienced since 2019 and corroborating the increase in volumes from new cargo facilities and new contracts;
- We challenged management's considerations of climate change in their assessment of going concern, noting no material cash flow impacts are expected in the going concern assessment period;
- We involved EY sector specialists in the aviation and cargo sectors to corroborate the third party outlook data underpinning management's forecasts;
- We reviewed external aviation industry reports and market data for indicators of contradictory evidence;
- We assessed the plausibility of management's downside scenarios by evaluating the actual recovery of the group to date and considering the impact of future variants by comparing to historical experience, requesting management to consider further downside risks such as a volume reduction in cargo, 3% reduction in passenger revenues for the impact of climate and considering any credit risk in airline customers;
- We evaluated management's reverse stress testing on the forecasts to understand how severe the downside scenarios would have to be to result in a covenant breach;
- We also considered the historical accuracy of the industry reports from IATA, Eurocontrol and Bain that have been used to inform management's forecast trends;
- We evaluated management's controllable cost mitigations, largely variable pay and overhead reductions in order to determine whether such actions are feasible in the circumstances and considering the impact of the restructuring and related savings that have already taken place during 2020 and 2021;
- We evaluated management's consideration of the situation in Ukraine and obtained the latest aviation sector reports post the Russian invasion of Ukraine to search for any contradictory evidence as to the aviation market recovery assumed by management in its going concern assessment.

Debt facilities and liquidity
- We confirmed cash and loan balances to bank confirmations at the balance sheet date;
- In the prior year audit, we involved our debt advisory specialists to perform a detailed review of the borrowing facilities to assess their continued availability to the group through the going concern period and to ensure completeness of covenants identified by management.
- We confirmed with management that during 2021, there have been no changes to the facilities, and we obtained a third party confirmation from the lender of the facilities in place at the balance sheet date;
- We reviewed the accuracy of management's covenant forecast model, verifying inputs to board approved forecasts and facility agreement terms;
- We verified the replacement of the previous leverage and interest cover banking covenants at September 2020 with the requirement to maintain a minimum level of available liquidity of £45m and meet pre-determined minimum EBITDA levels for the quarter ending March 2022;
- We verified the original leverage and interest cover banking covenants that will be measured quarterly from June 2022 quarter end that require the group to maintain leverage less than 3.00:1 and interest cover greater than 3.00:1 at each measurement date; and
- We reviewed change of control and sale clauses and the impact on the repayment terms of the facilities.

Disclosures
- We considered whether management's disclosures, in the Annual Report and financial statements, sufficiently and appropriately capture the ongoing impacts of Covid on the going concern assessment and through consideration of relevant disclosure standards.

Our key observations
We observed that the ground and fuel services business area is recovering from a prolonged period of international flight restrictions resulting from the pandemic and the cargo and freight forwarding business area is expected to continue to grow throughout the going concern assessment period as it did throughout the pandemic.

The forecasts for both the recovery in ground service flight volumes and growth in cargo are in line with third party aviation sector outlook data which we have compared to forecasts prepared by EY aviation sector experts.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN MENZIES PLC (CONTINUED)

The group has access to committed bank facilities comprising a $235m term loan and the £145m revolving credit facility, both available until the maturity dates of January 2025, and loans from the US government having a maturity date of 2030. The group is forecast to comply with its banking covenants under both the base case and severe but plausible downside case.

Post year end, a proposal regarding a cash offer was received for the shares of the company. On 21 February 2022, the board indicated it would be willing to recommend the offer at the financial terms of the final proposal from the bidder to shareholders, subject to the satisfactory resolution of other terms of the offer. The board has identified that, if the offer for the company completes during the going concern assessment period and the lenders request repayment under the change of control clause, in the event that alternative financing arrangements were not in place, there would be a material uncertainty surrounding the company's financing arrangements, which may cast significant doubt upon the company's ability to continue as a going concern.

Conclusion

In relation to the group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' identification in the financial statements of any material uncertainties to the group and parent company's ability to continue to do so over a period to 31 December 2023 from the date of approval of the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of one component and audit procedures on specific balances for a further thirty components. • The components where we performed full or specific audit procedures accounted for 80% of profit before tax, 81% of revenue and 85% of total assets.
Key audit matters	• Management override of controls, specifically in relation to revenue recognition and US government assistance. • Carrying value of goodwill and intangible assets. • Valuation of defined benefit pension scheme liabilities. • Material uncertainty related to going concern
Materiality	• Overall group materiality of $2.6m which represents 0.2% of revenue.

An overview of the scope of the parent company and group audits

	Components		Percentage of PBT*		Percentage of revenue		Percentage of total assets	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
Full scope	**1**	2	**12**	23	**15**	26	**48**	40
Specific scope and consolidation adjustments	**30**	30	**68**	60	**66**	56	**37**	42
Overall coverage			**80**	83	**81**	82	**85**	82

* Percentage of profit before tax is calculated on an absolute basis against the adjusted profit before tax measure.

Changes from the prior year

The group acquired two new subsidiaries in Pakistan and Iraq during 2021, which were brought into audit scope. There were some minor movements in the scoping of the remaining components to introduce variability and increase coverage. Menzies Aviation UK has been moved from full scope to specific scope in line with its profit contribution to the group.

In 2021, we moved to a centrally delivered group audit, removing the need for component auditors from other EY global network firms. Audit procedures on all in scope components were performed by one integrated audit team. During the current year's audit cycle, a visit was undertaken by the audit team to the US and UK locations. These visits involved meeting with local management to discuss their areas of the business. The remainder of the audit work was delivered remotely, whilst maintaining continuous dialogue with local finance management via videoconference and through involvement of the primary team management and partners.

The performance of the audit was supported through remote access to the group's financial systems and the use of EY software collaboration platforms to facilitate information sharing.

Tailoring the scope
Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment and other factors such as recent Internal audit results when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 169 (2020: 148) reporting components of the group, we selected 31 (2020: 32) components covering entities within the UK, the USA, Australia, Canada, Spain, Sweden, Czech Republic, South Africa, Netherlands, India, Mexico, Denmark, Pakistan, Iraq, Norway and Romania, which represent the principal business units within the group.

Of the 31 components selected, we performed an audit of the complete financial information of 1 component ('full scope components') which were selected based on their size or risk characteristics. For the remaining 30 components ('specific scope components'), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 81% (2020: 83%) of the group's revenue used to calculate materiality. In summary, reporting components accounted for 80% (2020: 83%) of the group's adjusted PBT, 81% (2020: 83%) of the group's revenue and 85% (2020: 82%%) of the group's total assets. For the current year, the full scope components contributed 12% (2020: 23%) of the group's adjusted PBT, 15% (2020: 26%%) of the group's revenue and 48% (2020: 40%) of the group's total assets. The specific scope component contributed 68% (2020: 60%) of the group's adjusted PBT, 66% (2020: 56%) of the group's revenue and 37% (2020: 42%) of the group's total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the group. We also instructed perform specified procedures over certain aspects of cash and fixed assets at other locations.

Of the remaining 138 components that together represent 19% of the group's revenue, none are individually greater than 1.5% of the group's revenue. For these components, we performed other procedures, including analytical review to respond to any potential risks of material misstatement to the group financial statements.

Climate change
There has been increasing interest from stakeholders as to how climate change will impact John Menzies plc. The group has identified the following as potential risks arising from climate change

- Implementation of carbon prices and other taxes
- Impact of trade tensions between countries with different Nationally Determined Contributions (NDCs)
- Fast changing consumer attitudes especially in developed markets
- Uncertainties around decarbonisation technologies for the aviation sector

These are explained on pages 62 to 65 in the Task Force for Climate Related Financial Disclosures and on pages 36 to 39 in the principal risks and uncertainties, which form part of the 'Other information,' rather than the audited financial statements as explained below. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

As explained in the group's Taskforce on Climate-related Financial Disclosures and the basis of preparation i governmental and societal responses to climate change risks are still developing, and are interdependent upon each other, and consequently financial statements cannot capture all possible future outcomes as these are not yet known. The degree of certainty of these changes may also mean that they cannot be taken into account when determining asset and liability valuations and timing of future cash flows under the requirements of IFRS. In Note 1 to the financial statements the impact of reasonably possible changes has been assessed by management including an assessment of assets with indefinite and long lives.

Our audit effort in considering climate change was focused on ensuring that the effects of material climate risks disclosed on pages 62 to 65 have been appropriately reflected in asset values and associated disclosures where values are determined through modelling future cash flows, being the carrying value of goodwill and intangibles and the recoverability of fixed assets and in the timing and nature of liabilities recognised. Details of our procedures and findings on the carrying value of goodwill and intangibles are included in our key audit matters below. We also challenged the Board's considerations of climate change in their assessment of going concern and viability and associated disclosures.

Whilst the group have stated their commitment to the aspirations of the Paris Agreement to achieve net zero emissions by 2033 the group is currently unable to determine the full economic impact on their business model, operational plans and customers to achieve this and therefore the potential impacts are not fully incorporated in these financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainties related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report:

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Management override of controls, specifically in relation to revenue recognition and accounting for US government assistance Refer to the Audit Committee Report (page 97); Accounting policies (page 146); Note 2 of the Consolidated Financial Statements (page 156) and Note 16 of the Consolidated Financial statements (page 173). There is a risk that the financial statements as a whole are not free from material misstatement due to the risk of management override of controls whether caused by fraud or error. Revenue recognition remains an area of focus for our audit in considering possible areas of management bias and fraud. We recognise that sales arrangements for the group are generally low value, high volume and straightforward in nature, requiring minimal judgment to be exercised. Accordingly, we focus on the appropriate application of contractual rates to address the risk that contracted rates are incorrectly amended in the system. For non-contractual revenue streams, we focus our testing on manual journals. The management override risk has been modified in the current year to include the risk in respect of inappropriate accounting for US government assistance. The group has recognised government assistance totalling $66.3m from the US government in 2021 (2020: $50.1m), as part of Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and cumulative receipts to 31 December 2021 since inception of the funding is $240.3m. Management judgment is required to determine the appropriate systematic period to release the income in accordance with IAS 20, which could materially impact profit.	We obtained an understanding of the key controls and processes in place over revenue recognition and government assistance and in particular, the recording of manual journal entries. We used IT specialists to test the group's in house billing application that stores contractual rates. At both full and specific scope components we performed detailed testing of a sample of sales through inspection of underlying contracts, invoice, and cash receipts to evidence that revenue had been appropriately recognised. We utilised our data analytical tools to correlate sales to debtors and cash for both contract and non-contract-based revenue. We tested a sample of non-correlating entries to third party evidence to ensure that revenue had been appropriately recognised. The primary audit team performed risk assessment analytics by utilising a billing analytics tool to capture all billings by station and airline at all in scope components for contractual revenues to allow us to focus our substantive testing on unusual items and outliers (e.g. unusual contract rates, new contracts identified) from a complete population of revenue transactions for in scope locations. For the sample selected, we enquired of management and inspected underlying contracts and agreed a sample of flights to a third party flight register. These procedures were supplemented with analytical review procedures and enquiry of management. We performed journal entry testing, applying a particular focus to individually unusual and/or material revenue manual journals posted throughout the year. We agreed journals to supporting evidence to confirm that the revenue recognised was appropriate, had an appropriate business rationale and was in line with the group's accounting policy. In relation to US government assistance received, we agreed a sample of costs to supporting records to verify the integrity of any claims. We obtained management's model that determines the recognition of the CARES income. We checked the arithmetic accuracy of model and checked to ensure that the methodology for the release was a systematic basis, in accordance with the requirements of IAS 20. We assessed the adequacy of disclosures within the financial statements, particularly in relation to Covid government assistance.	We concluded that revenue and government assistance recognised in the year are materially correct on the basis of procedures performed by the primary audit team and component audit teams. We concluded that revenue and government assistance have been appropriately classified and disclosed in the financial statements.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Carrying value of goodwill and intangible assets Refer to the Audit Committee Report (page 97); Accounting policies (page 146); and Note 10 of the Consolidated Financial Statements (page 162). The significant risk relates to the potential misstatement of goodwill and intangible assets, arising from inappropriate forecast assumptions applied by management. Assessing the appropriateness of forecasts/budgets, growth rates and discount rates requires management to exercise judgement that brings inherent risk due to estimation uncertainty including the risk of climate change. As a result, this is an area of the audit more susceptible to management override or fraud. Management's impairment assessment as at 31 December 2021 concluded that there was sufficient headroom and no impairment charge should be recognised in relation to the intangible assets.	We obtained an understanding of the key controls and processes in place over management's impairment assessment and the appropriateness of the assumptions within the impairment models. We obtained management's impairment assessment that concluded that there are indicators present due to the continued impact of Covid. We performed fully substantive audit procedures and did not rely on controls. We challenged the assumptions forming the basis of the cashflow forecasts including the impact of Covid, long-term profitability of the cash generating units, terminal growth rates and savings from restructuring. This included reviewing International Air Transport Association reports on forecast flight volumes for potential contradictory evidence and utilising EY sector specialist data. The impact of climate change has been considered by factoring in potential consequences on future air travel volume and considering the impact on costs of the group adhering to their sustainability strategy. We assessed management's ability to accurately forecast by comparing prior forecasts to actual results. We assessed the consistency between the budget that formed the going concern assessment and the forecasts used for the cash generating units as part of the group's impairment assessment. We assessed the discount rate used in the impairment models with the assistance of EY's valuation experts. We then applied the EY recalculated discount rates to management's models to assess if impairment would occur. We performed sensitivity testing of the key assumptions; revenue (based on forecast passenger volumes, WACC) and recovery period from Covid to determine if there remained headroom. We tested the mathematical accuracy of the impairment assessment.	Based on the audit procedures performed in relation to goodwill and intangible assets, we consider the year end carrying value to be appropriate. We consider disclosures made in the accounts to be adequate to explain the estimates made by management and sensitivities should events differ from those assumed in the impairment models.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Valuation of defined benefit pension scheme liabilities Refer to the Audit Committee Report (page 97); Accounting policies (page 146); and Note 22 of the Consolidated Financial Statements (page 179). At 31 December 2021, the group recognised a net pension asset of $2.4m (2020: $9.2m deficit). The significant risk relates to the potential misstatement of the gross pension liabilities of $502.9m (2020: $511.8m) due to the significant judgments being exercised by management in determining the appropriate underlying actuarial assumptions. The principal assumptions include life expectancies of scheme members, discount rate and inflation rate which gives rise to estimation uncertainty and potential for management bias.	We understood and walked through management's process and methodology for calculating the pension liability. We evaluated the competence and objectivity of management's external actuarial specialists. Through the involvement of our pension actuarial specialists, we corroborated key assumptions (including discount rate, life expectancies of scheme members and inflation rate) using external third- party data and independently assessed the assumptions to allow us to determine whether the group's assumptions are within an appropriate range. We test the input data used by the scheme actuaries in the calculation of the pension liability through the inspection of pensionable salary data from payroll reports. We assessed the adequacy of disclosures within the financial statements.	We concluded that the valuation of the gross pension liability is materially correct and that management's judgments in relation to underlying actuarial assumptions are appropriate. We are satisfied with the adequacy of disclosure within the financial statements.

In the prior year, our auditor's report included a key audit matter in relation to accounting for government assistance. In the current year, this has been refined to focus the audit effort on accounting for the US government assistance relating to the CARES Act and including this within our response to the risk of management override (as set out above).

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the group to be $2.6 million (2020: $1.6 million), which is 0.2% (2020: 0.15%) of revenue. We believe that revenue provides us with a key indication of the group's performance in the current environment. In determining our benchmark for materiality, we considered a number of different metrics used by investors and other users of the financial statements. We consider that analysts are focused on the speed at which underlying operations and revenue are returning to normal. Setting materiality when the businesses of the group have been impacted by Covid requires greater auditor judgment. Although the group has displayed a return to profitability in 2021, this has been supported by financial support received from the governments. The group is operating at low to break even profit levels in relation to the revenue that the group generates, as it recovers from the impact of Covid. Furthermore, the aviation industry recovery forecasts are predominantly driven from passenger travel volumes, highlighting that activity levels are a key driver for users and stakeholders. In selecting revenue as the basis of materiality, we have chosen 0.2% of revenues, which is below our normal materiality range of 0.5% - 3%. This reflects the remaining risks associated with Covid.

We determined materiality for the parent company to be $2.6 million (2020: $2.2 million), which is 1% (2020: 1%) of total assets.

During the course of our audit, we reassessed initial materiality and there was no reason to change.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2020: 75%) of our planning materiality, namely $2m (2020: $1.2m). We have set performance materiality at this percentage due to the past history of misstatements, our ability to assess the likelihood of misstatements, the effectiveness of the internal control environment and other factors affecting the entity and its financial reporting.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to divisions of the primary team was $390,000 to $760,000 (2020: $270,000 to $680,000).

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $130,000 (2020: $82,000), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, including the five-year review and shareholder information set out on pages 194 to 209, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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 those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the company's corporate governance statement and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in:
- the strategic report or the directors' report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited 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
- a Corporate Governance Statement has not been prepared by the parent company

Corporate Governance Statement
We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Aside from the impact of the matters disclosed in the material uncertainties related to going concern section, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:
- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 30;
- Directors' explanation as to its assessment of the parent company's prospects, the period this assessment covers and why the period is appropriate set out on page 31;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 31;
- Directors' statement on fair, balanced and understandable set out on page 75;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 36;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 32; and
- The section describing the work of the audit committee set out on page 97.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN MENZIES PLC (CONTINUED)

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 126, 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 group and parent 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 group or the parent 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (IFRS, Companies Act 2006, the UK Corporate Governance Code and the Listing Rules of the UK Listing Authority) and the relevant tax compliance regulations in the jurisdictions in which the group operates. In addition, we concluded that there are certain significant laws and regulations relation to health and safety, employee matters, environments and bribery and corruptions practices;
- We understood how John Menzies plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of Board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies and noted that there was no contradictory evidence;
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by embedding forensic specialist into our group team. Our forensic specialists worked with the group engagement team to identify the fraud risks across the business. We enquired with management within various parts of the business to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of analysts. Where this risk was considered higher, we performed audit procedures to address the fraud risk; and
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of board minutes to identify any non-compliance with laws and regulations, a review of the reporting to the Audit Committee on compliance with regulations, enquiries of general counsel and management as well as utilisation of data analytical tools to review for potential non-compliance with laws and regulations with a focus on manual journals which have heightened risk by nature.

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

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the parent company on 17 September 2021 to audit the financial statements for the year ending 31 December 2021 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 13 years, covering the years ending 31 December 2009 to 31 December 2021.
- The audit opinion is consistent with the additional report to the Audit Committee.

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.

Ernst & Young LLP

Kevin Weston
Senior Statutory Auditor
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh
8 March 2022

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021 (31 DECEMBER 2020)

	Notes	Before exceptional and other items $m	Exceptional and other items $m	**2021 $m**	Before exceptional and other items $m	Exceptional and other items $m	2020[i] $m
Revenue	2	**1,352.5**	**–**	**1,352.5**	1,063.8	–	1,063.8
Net operating costs	3	**(1,281.8)**	**(16.7)**	**(1,298.5)**	(1,090.0)	(99.1)	(1,189.1)
Operating profit/(loss) before joint ventures and associates		**70.7**	**(16.7)**	**54.0**	(26.2)	(99.1)	(125.3)
Share of post-tax results of joint ventures and associates	12	**5.1**	**(0.4)**	**4.7**	2.3	(1.2)	1.1
Operating profit/(loss)	2	**75.8**	**(17.1)**	**58.7**	(23.9)	(100.3)	(124.2)
Analysed as:							
Underlying operating profit/(loss)[ii]		**75.8**	**–**	**75.8**	(23.9)	–	(23.9)
Exceptional items – transaction related and integration	5	**–**	**(1.3)**	**(1.3)**	–	(3.1)	(3.1)
Exceptional items – restructuring	5	**–**	**(8.0)**	**(8.0)**	–	(40.9)	(40.9)
Exceptional items – asset impairment reversal/(cost)	5	**–**	**1.5**	**1.5**	–	(23.0)	(23.0)
Credit loss reversal/(loss)	5	**–**	**0.7**	**0.7**	–	(12.0)	(12.0)
Exceptional items – insurance and other legal settlements	5	**–**	**–**	**–**	–	(11.6)	(11.6)
Amortisation of acquired intangible assets	5	**–**	**(9.6)**	**(9.6)**	–	(8.5)	(8.5)
Share of joint ventures and associates interest		**–**	**0.1**	**0.1**	–	–	–
Share of joint ventures and associates tax		**–**	**(0.5)**	**(0.5)**	–	(1.2)	(1.2)
Operating profit/(loss)		**75.8**	**(17.1)**	**58.7**	(23.9)	(100.3)	(124.2)
Finance income	6	**0.3**	**–**	**0.3**	0.3	–	0.3
Finance charges excluding retirement benefit obligation interest	6	**(29.2)**	**(0.1)**	**(29.3)**	(26.5)	(5.0)	(31.5)
Retirement benefit obligation interest	21	**–**	**–**	**–**	(0.1)	–	(0.1)
Profit/(loss) before taxation		**46.9**	**(17.2)**	**29.7**	(50.2)	(105.3)	(155.5)
Taxation	7	**(17.0)**	**2.1**	**(14.9)**	(18.3)	8.0	(10.3)
Profit/(loss) for the year		**29.9**	**(15.1)**	**14.8**	(68.5)	(97.3)	(165.8)
Attributable to equity shareholders		**30.3**	**(15.1)**	**15.2**	(67.3)	(97.3)	(164.6)
Attributable to non-controlling interests		**(0.4)**	**–**	**(0.4)**	(1.2)	–	(1.2)
		29.9	**(15.1)**	**14.8**	(68.5)	(97.3)	(165.8)
Earnings per ordinary share							
Basic	9	**34.0¢**	**(16.9)¢**	**17.1¢**	(79.8)¢	(115.5)¢	(195.3)¢
Diluted	9	**34.0¢**	**(16.9)¢**	**17.1¢**	(79.8)¢	(115.5)¢	(195.3)¢

Notes:

(i) As set out in Note 1, from 1 January 2021, the Group's presentational currency has changed to the US dollar from the British pound. All comparatives have been presented in US dollars and translated as if the presentational currency for that period was the US dollar.

(ii) Underlying operating profit adjusts for exceptional items, amortisation relating to acquired contract, customer relationship and brand intangibles and the Group's share of interest and tax on joint ventures and associates to provide an appreciation of the impact of those items on operating profit.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021 (31 DECEMBER 2020)

	Note	**2021 $m**	2020 $m
Profit/(loss) for the year		**14.8**	(165.8)
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain/(loss) on defined benefit retirement obligation	21	**1.8**	(4.9)
Actuarial gain/(loss) on unfunded retirement benefit obligation		**0.1**	(0.3)
Income tax effect on defined benefit retirement obligation		**(0.4)**	–
Items that may be reclassified subsequently to profit or loss			
Movement on cash flow hedges		**3.7**	(2.9)
Income tax effect on cash flow hedges		**(0.9)**	0.6
Movement on net investment hedges		**0.9**	(1.6)
Income tax effect on net investment hedges		**(0.2)**	0.3
Exchange loss on translation of foreign currency net assets		**(8.1)**	(3.5)
Income tax effect of exchange loss on foreign currency net assets		**0.9**	(0.3)
Other comprehensive loss for the year		**(2.2)**	(12.6)
Comprehensive income/(loss) for the year		**12.6**	(178.4)
Attributable to equity shareholders		**13.0**	(177.0)
Attributable to non-controlling interests		**(0.4)**	(1.4)
		12.6	(178.4)

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2021 (31 DECEMBER 2020 AND 31 DECEMBER 2019)

	Notes	**2021 $m**	2020 $m	2019 $m
Assets				
Non-current assets				
Intangible assets	10	**241.9**	228.3	235.9
Property, plant and equipment	11	**363.4**	323.3	368.4
Investments in joint ventures and associates	12	**20.8**	19.2	21.6
Other investments	12	**4.9**	0.1	0.3
Deferred tax assets	13	**27.7**	28.9	28.9
Retirement benefit surplus	21	**2.4**	–	–
		661.1	599.8	655.1
Current assets				
Inventories		**8.2**	7.8	7.6
Trade and other receivables	14	**332.1**	253.1	321.9
Current income tax receivables		**2.1**	2.5	5.2
Derivative financial assets	16	**0.7**	0.3	1.1
Cash and cash equivalents	18	**254.2**	285.8	119.8
		597.3	549.5	455.6
Liabilities				
Current liabilities				
Borrowings	16	**(173.5)**	(187.3)	(121.3)
Derivative financial liabilities	16	**(0.4)**	(1.1)	(0.3)
Trade and other payables	15	**(356.3)**	(319.5)	(248.0)
Current income tax liabilities		**(20.5)**	(19.8)	(16.6)
Provisions	20	**(25.2)**	(61.8)	(75.4)
		(575.9)	(589.5)	(461.6)
Net current assets/(liabilities)		**21.4**	(40.0)	(6.0)
Total assets less current liabilities		**682.5**	559.8	649.1
Non-current liabilities				
Borrowings	16	**(580.1)**	(581.0)	(517.8)
Other payables	15	**(36.7)**	(0.4)	(0.7)
Derivative financial liabilities	16	**–**	(3.3)	(0.2)
Deferred tax liabilities	13	**(4.4)**	(4.1)	(1.5)
Provisions	20	**(62.7)**	(23.4)	(6.0)
Retirement benefit obligation	21	**–**	(9.2)	(7.0)
		(683.9)	(621.4)	(533.2)
Net (liabilities)/assets		**(1.4)**	(61.6)	115.9
Ordinary shares	22	**39.0**	36.3	36.3
Share premium account		**69.1**	41.5	41.4
Treasury shares		**(2.9)**	(2.9)	(3.5)
Other reserves		**(42.1)**	(38.4)	(30.6)
Merger relief reserve		**67.6**	82.1	82.1
Retained earnings		**(187.4)**	(220.0)	(51.1)
Capital redemption reserve		**41.3**	41.3	41.3
Total shareholders' equity		**(15.4)**	(60.1)	115.9
Non-controlling interest in equity		**14.0**	(1.5)	–
Equity		**(1.4)**	(61.6)	115.9

The accounts were approved by the Board of Directors on 8 March 2022 and signed on its behalf by:

Philipp Joeinig
Chairman and Chief Executive Officer

Alvaro Gomez-Reino
Chief Financial Officer

Company No. SC34970

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2021 (31 DECEMBER 2020)

	Ordinary shares $m	Share premium account $m	Treasury shares $m	Translation and hedge reserves $m	Merger relief reserve $m	Retained earnings $m	Capital redemption reserve $m	Total shareholders' equity $m	Non-controlling interst in equity $m	Equity $m
At 31 December 2020	36.3	41.5	(2.9)	(38.4)	82.1	(220.0)	41.3	(60.1)	(1.5)	(61.6)
Profit/(loss) for the year	–	–	–	–	–	15.2	–	15.2	(0.4)	14.8
Other comprehensive (loss)/income	–	–	–	(3.7)	–	1.5	–	(2.2)	–	(2.2)
Comprehensive (loss)/ income	–	–	–	(3.7)	–	16.7	–	13.0	(0.4)	12.6
Share capital issued	2.7	27.6	–	–	–	–	–	30.3	–	30.3
Subsidiaries acquired	–	–	–	–	–	–	–	–	11.0	11.0
Capitalisation of subsidiary[(i)]	–	–	–	–	–	–	–	–	5.2	5.2
Dividends paid to non-controlling interest	–	–	–	–	–	–	–	–	(0.3)	(0.3)
Realisation[(ii)]	–	–	–	–	(14.5)	14.5	–	–	–	–
Share-based payments	–	–	–	–	–	1.4	–	1.4	–	1.4
At 31 December 2021	**39.0**	**69.1**	**(2.9)**	**(42.1)**	**67.6**	**(187.4)**	**41.3**	**(15.4)**	**14.0**	**(1.4)**

	Ordinary shares $m	Share premium account $m	Treasury shares $m	Translation and hedge reserves $m	Merger relief reserve $m	Retained earnings $m	Capital redemption reserve $m	Total shareholders' equity $m	Non-controlling interest in equity $m	Equity $m
At 31 December 2019	36.3	41.4	(3.5)	(30.6)	82.1	(51.2)	41.3	115.8	(0.1)	115.7
Loss for the year	–	–	–	–	–	(164.6)	–	(164.6)	(1.2)	(165.8)
Other comprehensive income/(loss)	–	–	0.6	(7.8)	–	(5.2)	–	(12.4)	(0.2)	(12.6)
Comprehensive income/ (loss)	–	–	0.6	(7.8)	–	(169.8)	–	(177.0)	(1.4)	(178.4)
Share capital issued	–	0.1	–	–	–	–	–	0.1	–	0.1
Share-based payments	–	–	–	–	–	1.0	–	1.0	–	1.0
At 31 December 2020	36.3	41.5	(2.9)	(38.4)	82.1	(220.0)	41.3	(60.1)	(1.5)	(61.6)

Notes:
(i) As disclosed in Note 23 to the Group's consolidated financial statements, the Group received investment from non-controlling interests in order to capitalise subsidiaries in which they hold an interest.
(ii) As disclosed in Note 14 to the Company's financial statements, the movement on the merger relief reserve relates to the realisation of a previously unrealised reserve arising from a related historic acquisition.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021 (31 DECEMBER 2020)

	Notes	**2021 $m**	2020 $m
Cash flows from operating activities			
Cash generated from operations	17	**183.5**	154.7
Interest received		**0.3**	0.3
Interest paid on lease liabilities		**(9.7)**	(9.4)
Other interest paid including arrangement fees		**(16.3)**	(21.4)
Tax paid		**(15.2)**	(3.2)
Net cash flow from operating activities		**142.6**	121.0
Cash flows from investing activities			
Purchase of property, plant and equipment		**(41.5)**	(31.3)
Intangible asset additions		**(1.1)**	(1.2)
Proceeds from sale of property, plant and equipment		**4.0**	5.8
Dividends received from equity accounted investments		**2.8**	2.7
Deferred consideration settled		**(2.3)**	–
Acquisitions	23	**(16.0)**	–
Cash acquired with subsidiaries	23	**0.3**	–
Other investments		**(4.6)**	–
Net cash flow used in investing activities		**(58.4)**	(24.0)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		**30.3**	0.1
Proceeds from borrowings excluding leases		**18.2**	63.9
Repayment of borrowings excluding leases		**(43.8)**	(0.1)
Principal element of lease repayments		**(81.2)**	(77.2)
Dividends paid to non-controlling interests		**(0.3)**	–
Net cash flow used in financing activities		**(76.8)**	(13.3)
Increase in net cash and cash equivalents[(i)]		**7.4**	83.7
Effects of exchange rate movements		**(6.2)**	(12.4)
Opening net cash and cash equivalents[(i)]		**166.5**	95.2
Closing net cash and cash equivalents[(i)]	18	**167.7**	166.5

Note:
(i) Net cash and cash equivalents comprise cash at bank and in hand and bank overdrafts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

Basis of preparation and presentational currency

The consolidated financial statements, which have been prepared under the historical cost convention, in accordance with UK adopted international accounting standards, incorporate the financial statements of the Company and its subsidiaries, joint ventures and associates from the effective date of acquisition or to the date of deemed disposal.

As announced on 27 January 2022, the Group's presentational currency changed from British pounds to US dollars to better reflect the global nature of the business and the denomination of a significant and increasing proportion of the Group's revenue. Following this change in accounting policy, the comparatives in the consolidated financial statements are represented in US dollars. Assets and liabilities have been translated into US dollars at closing rates of exchange to the British pound of 1.3544 (2020: 1.3669, 2019: 1.3247). Trading results have been translated into US dollars at the rates of exchange prevailing at the dates of transaction or average rates where these are a suitable proxy. The average rate of the British pound to the US dollar for the year was 1.3756 (2020: 1.2906). Differences resulting from the retranslation on the opening net assets and the results for the years reported have been presented in the translation and hedge reserve, a component within shareholders' equity. Share capital, share premium and other reserves have been translated at historic rates prevailing at the dates of transactions.

The currency translation reserve was set to zero as of 1 January 2005, the date at which the Group first adopted IFRS. Cumulative currency translation adjustments have been presented as if the Group had used US dollars as the presentation currency of its consolidated financial statements since that date.

Going concern

The UK Corporate Governance Code requires the Board to state whether it is appropriate to adopt the going concern basis of accounting in preparing the financial statements, and to identify any material uncertainties to the Company's ability to continue as a going concern over a period of at least 12 months from the date of approval of the financial statements. In adopting the going concern basis for preparing these financial statements, the Board has considered the Group's business activities, together with factors likely to affect its future development, its performance and principal risks and uncertainties for the period to 31 December 2023.

The impact of Covid has precipitated an unprecedented level of air travel restrictions imposed by governments across the world in the last two years, which in turn has adversely impacted flight volumes that drive much of the ground and fuel services businesses. In 2021, both impacted business lines have demonstrated positive signs of sustainable improvement. The air cargo services business line has continued to grow as it has done so throughout the pandemic. The lifting of travel restrictions and improved passenger flight volumes on the back of vaccination rollouts throughout the world have resulted in the ground and fuel services business lines trading ahead of the severe but plausible downside case considered when reporting the prior year results.

Furthermore, the Group's liquidity position has been enhanced through management actions that have resulted in tight operational control, material cost saving measures, the application for and the receipt of significant government support, particularly in the USA, the UK and Australia, and the proceeds from the share placing in May 2021.

Key assumptions in forecasts and banking covenant compliance

The Board considered the liquidity, net debt and forecast EBITDA in the Group's financial forecasts prepared to 31 December 2023 under a base case and a severe but plausible downside case. These scenarios have considered the Group's principal risks, notably the extent to which volumes recover in the ground and fuel services business lines, and the findings of the work performed to support the statement on the long-term viability of the Company. The severe but plausible case reflects a number of pessimistic downside adjustments,

1. Significant Accounting Policies continued

Going concern continued

Key assumptions in forecasts and banking covenant compliance continued

including the impact on flight schedules of further Covid variants. Underlying air cargo volume assumptions are that they increase in line with long-term industry forecast growth in all scenarios analysed, reflecting the continuing robustness of the market. Underlying fuel and ground services volume assumptions reflect the Company's view on the likely rate of recovery along with information from various airline customers. The fuel and ground services volume assumptions have been benchmarked against recovery scenarios for the industry prepared by external third parties including Eurocontrol and the International Air Transport Association. These are summarised below.

	First half of 2022	Second half of 2022	First half of 2023	Second half of 2023
Base case	69%	78%	88%	96%
Severe but plausible downside case	59%	71%	74%	88%

The Group has certain banking covenants measured quarterly. At 31 March 2022, these relate to maintaining a minimum pre-determined level of liquidity and exceeding predetermined minimum level of earnings before interest, tax, depreciation and amortisation as measured on a pre-IFRS 16 basis (EBITDA). At 30 June 2022, the minimum pre-determined level of liquidity continues to apply and the covenants revert to interest cover exceeding three times and a net debt to EBITDA ratio not exceeding three times as per the original facilities agreement before the Covid pandemic began to impact. Under both the base case and the severe but plausible downside case analysed, the Group is forecast to have favourable headroom against all banking covenants to 31 December 2023, the end of the going concern analysis period.

A further downside case, more pessimistic than the severe but plausible downside case, has been analysed to find a theoretical point at which the results modelled would imply that the covenanted measure of net debt to EBITDA leverage would start to be reached. This theoretical stress point has been assessed as being when underlying annual passenger flight volumes are less than 54% of pre-Covid levels in the first half of 2022, 64% in the second half of 2022, 67% in the first half of 2023 and 79% in the second half of 2023. The Board considers these forecast volumes to represent an implausibly low rate of recovery, particularly when considering the wider industry outlook for the aviation sector and the level of recovery already achieved. Furthermore, the theoretical stress point volumes have been calculated before considering the impact of the significant range of readily implementable and controllable management actions that would be taken were any of the covenants to be at risk of being reached over the period analysed to 31 December 2023.

Going concern statement

After reviewing the Company's current liquidity, net debt, financial forecasts and stress testing of potential risks, before considering the possible offer for the Company as described below, the Board has a reasonable expectation that the Company and Group has sufficient resources to continue in operational existence for the period analysed, which is to 31 December 2023. As a result, the Board continues to adopt the going concern basis of accounting in preparing the Company and Group financial statements.

As set out in Note 25 of these financial statements, a proposal regarding a possible cash offer was received post year end for the shares of the Company. The Board has indicated it would be willing to recommend an offer at the financial terms of the final proposal from the bidder to shareholders, subject to the satisfactory resolution of other terms of the offer. Were an offer for the Company to complete before 31 December 2023, this would be within the Company's going concern assessment period, and would trigger the change of control clauses in certain of the Company's debt facilities that may, at the lenders' discretion, require repayment in part or in full. It would then be the responsibility of the bidder to determine the necessary future financing arrangements of the Company. It is expected that the bidder will put in place alternative financing arrangements to take effect upon the completion of the offer for the Company. The Board has identified that, if the offer for the Company completes during the going concern assessment period and the lenders request repayment under the change of control clause, in the event of alternative financing arrangements were not in place, there would be a material uncertainty surrounding the Company's financing arrangements, which may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company and Group were unable to continue as a going concern.

New accounting standards and amendments
Three new accounting amendments are applicable for the first time in 2022. However, they have no material impact on the financial statements of the Group. These new standards are:

Amendment to IFRS 16 Leases – Covid-19-Related Rent Concessions beyond 30 June 2021 - effective date 1 April 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Rate Benchmark Reform - effective date 1 January 2021
Amendments to IFRS 4 – Insurance Contracts – effective date 1 January 2021

Standards and amendments to standards that have been issued that are applicable for the Group but are not effective for 2021 and have not been early adopted are:

IFRS 17 Insurance Contracts, including Amendments to IFRS 17 – effective date 1 January 2023
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – effective date 1 January 2023
Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020 – effective date 1 January 2022
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies – effective date 1 January 2023
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates – effective date 1 January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax Related to Assets and Liabilities from a Single Transaction – effective date 1 January 2023

Basis of consolidation
The consolidated financial statements of the Group comprise the assets, liabilities and results of the Company and subsidiary undertakings in which the Company has a controlling interest using accounts drawn up to 31 December except where entities do not have coterminous year ends. In such cases the information is based on the accounting period of these entities and is adjusted for trading results and material changes up to 31 December.

Controlled interests
The Group controls an investee if the Group has all of the following: power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); exposure or rights to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

Generally there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, it considers the relevant facts and circumstances in assessing whether it has power over an investee, including: contractual arrangement with other vote holders of the investee, rights arising from other contractual arrangements, and the Group's voting rights and potential voting rights. Consolidation of a controlled entity begins when the Group obtains control over the entity.

Profit or loss and each component of comprehensive income are attributed to the Company's equity holders and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

Joint ventures and associates
The Group's investments in its joint ventures and associates are accounted for using the equity method. The investments in an associate or a joint venture are initially recognised at cost. The carrying amount of investments are adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

1. Significant Accounting Policies continued
Basis of consolidation continued
Joint ventures and associates continued
The Income Statement reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Consolidated Statement of Comprehensive Income. In addition when there has been a change recognised directly in the equity of the joint venture or associate, the Group recognises its share of any changes when applicable in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture or associate are eliminated to the extent of the interest in the joint venture or associate. The aggregate of the Group's share of profit or loss of a joint venture or associate is shown on the face of the Income Statement outside operating profit and represents profit or loss after tax and non-controlling interests in the joint venture or associate.

At each reporting date the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within the share of the profit of an associate and joint venture in the Income Statement.

In India, Menzies Aviation Bobba (Bangalore) Private Ltd is 49% owned and Menzies Macau Airport Services Ltd in China is 29% owned. They are treated as joint ventures in the consolidated financial statements as the parties to each of the ventures work together with equal powers to control the entities. Each venturer in the respective entity retains the power of veto, and overall key strategic, operational and financial decisions require the consent of all parties.

The financial statements of each associate or joint venture are prepared for the same reporting period as the Group. The Group's Indian joint venture has a statutory year end of 31 March. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Investments
Interests in arrangements over which the Group has not yet demonstrated significant influence, are measured at fair value. Any dividends received are recognised as investment income and impairment losses recognised through the Income Statement.

In China, the Group holds a 10% equity stake in JFreight Logistics Supply Company. In the consolidated financial statements the stake is treated as an investment as significant influence has yet to be demonstrated.

Revenue recognition
Revenue from ramp, passenger, into-plane fuelling and other aviation related services income is recognised at the time the service is provided in accordance with the terms of the relevant contract. Air cargo services revenue is recognised at the point of departure for exports and at the point that the goods are ready for despatch for imports. Revenue excludes value added and sales taxes and charges collected on behalf of customers.

The timing of customer billing in relation to the satisfaction of performance obligations results in amounts being recorded in the Balance Sheet for accrued and deferred income. Individual billing arrangements vary by customer and contract. Accrued income is recognised on contracts for which performance obligations have been satisfied but have not yet been billed to customers at the Balance Sheet date. When the recovery of such amounts becomes unconditional, the customer is billed and the amounts are transferred to trade receivables. Deferred income is recognised in respect of payments received from customers in advance of the Group fulfilling its performance obligations under contracts.

Franchise and consortia fees are earned from periodic management fees for fuel farms and franchising arrangements that are recognised in accordance with contractual rates over time.

Foreign currencies
Assets and liabilities not denominated in US dollars are translated into US dollars, the Group's presentational currency, at the rates of exchange ruling at the balance sheet date. The trading results of subsidiaries, joint ventures and associates reporting in currencies other than the US dollar are translated at the average exchange rate ruling during the year, with the exchange difference between average rates and the rates ruling at the balance sheet date being taken to the Group's reserves.

Any differences arising on the translation of the opening net investment, including goodwill, in subsidiaries, joint ventures and associates, and of applicable loans in currencies other than the US dollar, are dealt with as adjustments to the Group's reserves. All other exchange differences are dealt with in the Income Statement.

Government grants
Government grant receipts are recognised in the Income Statement on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Unutilised grant receipts at the period end are recognised in deferred income on the Balance Sheet and the future recognition timing is considered at each reporting date. Government grants are recognised when there is reasonable assurance that the grant will be received and when compliance with all conditions of the grant is confirmed.

Exceptional items
Exceptional items are those material items which, by virtue of their size or incidence, are presented separately in the Income Statement to enable a full understanding of the Group's financial performance. Transactions that may give rise to exceptional items include acquisition transaction and integration costs, changes in deferred consideration, restructuring costs including rationalisation costs and onerous lease provisions, one off costs relating to reducing long term pension liabilities, gains or losses on the disposal of businesses and significant assets, asset write downs and impairments, and acquired intangible asset amortisation.

Intangible assets
Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value, and the amount of any non-controlling interest in the acquiree. Acquisition costs incurred are expensed and included in exceptional items.

Goodwill acquired is recognised as an asset and reviewed for impairment at least annually by assessing the recoverable amount of each cash generating unit to which the goodwill relates. When the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognised. Any impairment is recognised in the Income Statement. Goodwill arising on the acquisition of joint ventures and associates is included within the carrying value of the investment.

Contracts, customer relationships and brands
The fair value of intangible assets attributed to contracts, customer relationships and brands at the point of acquisition is determined by discounting the expected future cash flows to be generated from that asset at the relevant risk-adjusted weighted average cost of capital for the Group. Values are not attributed to internally generated customer relationships and brands.

Most contracts, customer relationships and brand assets are amortised on a straight line basis over ten years as this period is the minimum timeframe management considers when assessing businesses for acquisition. Certain other intangible assets are amortised over the remaining life as appropriate.

Computer software
Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly attributable to the production of identifiable software products controlled by the Group, and that are expected to generate economic benefits exceeding costs, are recognised as intangible assets. Computer software assets are amortised over their estimated useful lives, usually three to seven years.

1. Significant Accounting Policies continued

Property, plant and equipment

Property, plant and equipment is stated at cost, including costs to acquire, less accumulated depreciation. Depreciation is provided on a straight line basis. Freehold and long leasehold properties are depreciated over the shorter of the remaining lease term and 50 years. Short leasehold properties are depreciated over the remaining lease term. Plant and equipment are depreciated over the estimated life of the asset between three and 20 years.

Leases

As lessee, right of use assets are measured at cost comprising the amount of the initial measurement of the lease liability, any initial direct costs, and any lease payments made at or before the commencement date. Payments associated with leases with a term of 12 months or less and leases of low value assets are recognised on a straight line basis as an expense in the Income Statement. The non-lease proportion of the lease payments for one significant leasing vendor has been determined at 50%.

As lessor, the Group charges rental income under operating leases to the Income Statement on a straight line basis over the applicable lease periods.

Inventories

Inventories are goods for resale and consumables and are stated at the lower of purchase cost and net realisable value. The cost of jet fuel and de-icing fluids are determined on a weighted average basis. The cost of spares and other inventory is determined on a first-in, first-out basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts are shown within borrowings in current liabilities.

Financial assets and financial liabilities

Financial assets are classified at initial recognition and subsequently measured at amortised cost or fair value through Other Comprehensive Income.

The Group measures financial assets at amortised cost if the financial asset is both held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subject to impairment assessment and comprise trade receivables and accrued income as set out in Note 14. Where a provision is recognised the carrying value of the receivable is reduced with the amount of the loss recognised in the Income Statement.

Financial assets such as equity instruments and derivatives held for hedging purposes are measured through Other Comprehensive Income. Changes in the fair value of the effective portion of derivatives are recorded in equity and are only recognised in the Income Statement on disposal of the overseas net investment and any ineffective portion is also recognised in the Income Statement.

The Group recognises an allowance for expected credit losses based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Group expects to receive, discounted if material. For trade receivables and contract assets, the Group recognises a loss allowance based on lifetime expected credit losses at each reporting date. Provisions are calculated based on the Group's historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. Further information specific to credit risk management is set out in Note 14.

Financial liabilities are classified at initial recognition as borrowings, payables or derivatives designated as hedging instruments as an effective hedge. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, borrowings including bank overdrafts, and derivative financial instruments.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Income Statement when the liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs, with the charge included as finance costs in the Income Statement.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments and variable lease payments that are based on a specified index or rate. The lease payments are discounted using the interest rate the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value over a similar term and with similar security to the right of use asset in a similar economic environment.

Derivative financial instruments and hedging

Cash flow hedges comprise interest rate swaps and foreign exchange forward contracts that are used to hedge the risks arising from interest rates and the retranslation of foreign currency denominated items. Changes in the fair value of the effective portion of cash flow hedges are recorded in equity until such time as the forecast transaction occurs, at which time they are recognised in the Income Statement. If the transaction results in a non-financial asset or liability, amounts recycled from equity are included in the cost of the non-financial asset or liability. If the forecast transaction remains probable but ceases to be highly probable, from that point changes in fair value are recorded in the Income Statement within finance costs. Similarly if the forecast transaction ceases to be probable, the fair value recorded in equity and future changes in fair value are recognised in the Income Statement within finance costs.

Net investment hedges comprise derivatives that are designated as hedges of overseas net investments in currencies other than British pounds, the Company's functional currency. Changes in the fair value of the effective portion of net investment hedges are recorded in equity and are only recognised in the Income Statement on disposal of the overseas net investment. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is favourable and as financial liabilities when the fair value is adverse. At inception the hedge relationship is designated and documented and the risk management objective and strategy for undertaking the hedge is noted. Derivative contracts entered into are expected to continue to be highly effective until they expire. The effectiveness of these contracts is monitored during the year.

Taxation

Current tax is the amount of tax payable or recoverable in respect of the taxable profit or loss for the period.

Deferred tax is provided in full, using the liability method, on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. Deferred tax arising from the initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, is not recognised. Deferred tax liabilities represent tax payable in future periods in respect of taxable temporary differences. Deferred tax assets represent tax recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred tax is determined using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Current and deferred tax is recognised in the Income Statement except if it relates to an item recognised directly in equity or in other comprehensive income, in which case it is recognised directly in the Statement of Changes in Equity or in the Statement of Comprehensive Income as appropriate.

Provisions

Provisions are liabilities of uncertain timing and amount. Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1. Significant Accounting Policies continued

Retirement benefit obligation

For the defined benefit pension scheme in the UK, the operating and financing costs of pensions are charged to the Income Statement in the period in which they arise and are recognised separately. The costs of past service benefit enhancements, settlements and curtailments are recognised in the period in which they arise. The difference between actual and expected returns on assets during the year, including changes in actuarial assumptions, is recognised in the Statement of Comprehensive Income. Pension charges are assessed in accordance with the advice of a qualified actuary.

For the defined contribution pension schemes, the Income Statement charge represents contributions made.

Share capital

Ordinary shares are classed as equity. Where the Company purchases its own shares the consideration paid, including any directly attributable incremental costs, is deducted from the equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed.

Share-based payments

Equity settled share-based payments are measured at fair value at the date of grant and recognised as an expense over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest unless the options do not vest as a result of a failure to satisfy market conditions. Fair value is measured by use of a relevant pricing model.

Climate change impact assessment

In preparing the consolidated financial statements, management has considered the impact of climate change, taking into account the disclosures in the Strategic Report, including those made in accordance with the recommendations of the Task Force on Climate-related Financial Disclosure. This includes an assessment of assets with indefinite and long lives and how they could be impacted by measures taken to address global warming. Recognising that the environmental impact of the Group's operations is relatively low, no issues were identified that would impact the carrying values of assets or have any other impact on the financial statements.

Assumptions, estimates and judgments

The preparation of the consolidated accounts requires management to make assumptions, estimates and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates will, by definition, seldom equal the related actual results, particularly given changes in economic conditions and the level of uncertainty regarding their duration and severity.

Assumptions and estimates

Management has made a number of accounting assumptions and estimates which, if they transpire to be materially incorrect, have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The most important assumptions and estimates are set out below.

Fair value of intangible assets

On the acquisition of a business it is necessary to attribute fair values to any intangible assets acquired, provided they meet the criteria to be recognised. The fair values of these intangible assets are dependent on estimates of attributable future revenues, margins and cash flows, as well as appropriate discount rates. In addition, the allocation of useful lives to acquired intangible assets requires the application of judgment based on available information and management expectations at the time of recognition. See Note 10 for further details.

Impairment of intangible assets and investments

Management performs an impairment review on any assets that show indications of impairment and annually on goodwill and intangibles that are deemed to have indefinite lives. Management's impairment review of goodwill involves exercising judgment about future cash flows and other events that are by their nature uncertain and other business risk factors. Management has disclosed the pre-tax discount rates used when performing this review in Note 10. No impairments were identified in the current year.

Valuation of contingent consideration

On recognition of contingent deferred consideration management requires to estimate the valuation of any performance-based elements. The fair value of the contingent consideration is determined with reference to the forecast profits of the acquired business. See Note 16 for details of contingent consideration recognised.

Retirement benefit obligation

Management is responsible for making a number of financial and demographic assumptions in relation to the defined benefit pension scheme that has a direct impact on the pension deficit recognised within the financial statements. The assumptions underlying the calculation of the retirement benefit obligation are important and Management has determined the appropriate estimates based on independent actuarial advice. Changes in these assumptions could have a material impact on the measurement of the Group's retirement benefit obligation. See Note 21 for further details.

Judgments

The following are key judgments, apart from those involving estimations which are dealt with separately above, that management has made in the process of applying the accounting policies and that have a significant effect on the amounts recognised within the financial statements.

Leases

Judgment is exercised in determining the non-lease component for one significant leasing vendor. Judgment is necessary in assessing the non-lease proportion of the lease payments and has been determined at 50% after reviewing a range of sample data provided by the lessor. See Note 19 for further details.

Provisions

Judgment is exercised in determining whether provisions are required in relation to workers' compensation claims and legal claims. Judgment is necessary in assessing the veracity, measurement and probability of the claims. Management has reviewed available external and internal information relating to these types of claims and has made appropriate provisions accordingly. Judgment is exercised in determining whether provisions are required in relation to insurance, warranties and claims. Management has reviewed available external and internal information relating to these items and has made appropriate provisions accordingly. See Note 20 for further details.

Government grant recognition

Grants received are recognised in the income statement on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Judgment is exercised in determining the period over which the grant is recognised in the income statement and the profile of recognition. In determining the recognition of government grants management has considered external market data and internal forecasts and budgets. See Note 16 for further details.

Income taxes

The Group is subject to income tax in a number of jurisdictions and judgment is required in determining the provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain. Provisions for tax are recognised by estimating the taxes that are likely to become due, based on management's interpretation of country specific tax law and the likelihood of settlement. Management uses the services of a professional firm together with the expertise and historic experience of the Group's in-house tax team when assessing tax risks. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made. Management has considered the measurement of each uncertain tax position under the principles of IFRIC 23, applying either a most likely outcome or expected value approach based upon which method better predicts the resolution of each uncertainty.

A provision is held against a claim for a reduced rate of tax in an overseas territory based on the nature of its activities in that territory, which is subject to enquiry by the relevant tax authority. The potential benefit to the effective tax rate from that claim is not recognised until the agreement of the relevant tax authority is obtained and therefore an appropriate provision is held until that point. Other uncertain tax provisions are held for potential tax authority challenge of transfer pricing arrangements, deemed distributions of profits, the tax treatment of interest and foreign exchange differences on certain intercompany loans and for tax authority challenge against the interpretation of local tax legislation where the application of that legislation is unclear.

1. Significant Accounting Policies continued

Judgments continued

Income taxes continued

Whilst there is a range of potential outcomes for these uncertain tax positions, based on management's experience of such issues, on conclusion of the open positions it is believed that a likely range of outcomes is an additional tax liability of up to $3.0m and a reduction in the tax liability of around $2.4m. See Notes 7 and 13 for further details.

Non-GAAP measures

The group's consolidated financial statements are prepared in accordance with UK adopted international accounting standards. In measuring our performance, the financial measures that are used include those that have been derived from the reported results in order to eliminate factors that distort year-on-year comparisons. These are considered non-GAAP financial measures. This information, along with comparable GAAP measurements, is useful to investors in providing a basis for measuring our operational performance. Management uses these financial measures, along with the most directly comparable GAAP financial measures, in evaluating performance and value creation. Non-GAAP measures should not be considered in isolation from, or as a substitute for, financial information in compliance with GAAP. Non-GAAP financial measures as reported by the group may not be comparable with similarly titled amounts reported by other companies.

Contract, customer relationship and brand amortisation

As disclosed above, contract, customer relationship and brand amortisation relates to intangible assets recognised on historic acquisitions and since it is transaction related it is presented separately in order to provide an appreciation for underlying business performance.

Share of earnings from joint ventures and associates

As disclosed in the Income Statement, the group's share of post-tax profit relating to joint ventures and associates is included within operating profit given the similarity of those operations to wholly owned businesses.

Underlying operating profit

As disclosed on the face of the Income Statement, underlying operating profit adjusts for non-recurring exceptional items, impairment charges associated with non-current assets, joint venture assets and other intangibles, contract, customer relationship and brand amortisation and the Group's share of joint ventures and associates interest and tax to provide an appreciation of the impact of those items on operating profit.

Underlying profit before taxation

As disclosed on the face of the Income Statement, underlying profit before taxation is defined as underlying operating profit less net finance charges and before exceptional items as set out above in the underlying operating profit definition.

Underlying earnings per share

As disclosed on the face of the Income Statement, underlying earnings per share is defined as profit after taxation and non-controlling interest before intangible amortisation and impairment and exceptional items, divided by the weighted average number of ordinary shares in issue. The calculation of underlying earnings per share is set out in Note 9.

Free cash flow

Free cash flow is defined as the cash generated after net capital expenditure, interest and taxation, before special pension contributions, cash flow on acquisition of businesses, disposals, exceptional items, cash raised, capitalised lease repayments and ordinary dividends.

	2021 $m	2020 $m
Cash generated from operations	**183.5**	154.7
Adjusted for:		
Net interest paid	**(25.7)**	(30.5)
Exceptional interest paid	**–**	3.6
Tax paid	**(15.2)**	(3.2)
Dividends received from equity accounted investments	**2.8**	2.7
Purchase of property, plant and equipment	**(41.5)**	(31.3)
Intangible asset additions	**(1.1)**	(1.2)
Proceeds from sale of property, plant and equipment	**4.0**	5.8
Additional retirement benefit obligation contribution	**11.1**	4.8
Exceptional cash spend(i)	**11.4**	38.8
Free cash flow	**129.4**	144.2

Note:
(i) Current year exceptional spend relates mainly to redundancy and workforce restructuring costs as set out in Note 5.

Underlying operating cash flow
Underlying operating cash flow is free cash flow before net capital expenditure, net interest paid and taxation.

	2021 $m	2020 $m
Free cash flow	**129.4**	144.2
Adjusted for:		
Purchase of property, plant and equipment	**41.5**	31.3
Intangible asset additions	**1.1**	1.2
Proceeds from sale of property, plant and equipment	**(4.0)**	(5.8)
Net interest paid excluding exceptional interest	**25.7**	26.9
Tax paid	**15.2**	3.2
Underlying operating cash flow	**208.9**	201.0

2. Segment Information
The Group provides ground and air cargo services as well as into-plane fuelling and fuel farm management services across the world and manages this through regional businesses. Cargo forwarding services are separately disclosed, as they are distinct from the other types of aviation related services provided and are provided around the world.

The Board assesses the performance of the operating segments based on underlying operating profit. These results are before exceptional items, intangible amortisation and share of interest and tax on joint ventures and associates. Transfer prices between segments are set on an arm's length basis.

2. Segment Information continued

Business segments

Segmental revenue and the reconciliation of segmental underlying operating profit to profit before tax for the year is set out below.

2021	Note	Americas $m	EMEA $m	Rest of World $m	Cargo Forwarding $m	Group $m
Revenue		**461.1**	**440.7**	**155.1**	**295.6**	**1,352.5**
Underlying operating profit(i),(ii)		**52.0**	**1.4**	**9.8**	**12.6**	**75.8**
Exceptional items – transaction related	5					**(1.3)**
Exceptional items – restructuring related	5					**(8.0)**
Exceptional items – asset impairment	5					**1.5**
Exceptional items – credit loss reversal	5					**0.7**
Amortisation of acquired intangible assets	5					**(9.6)**
Share of joint ventures and associates interest						**0.1**
Share of tax on joint ventures and associates						**(0.5)**
Operating profit						**58.7**
Net finance expense						**(29.0)**
Profit before taxation						**29.7**

2020	Note	Americas $m	EMEA $m	Rest of World $m	Cargo Forwarding $m	Group $m
Revenue		375.5	347.8	118.5	222.0	1,063.8
Underlying operating profit(i),(ii)		21.6	(66.2)	11.4	9.4	(23.9)
Exceptional items – transaction related	5					(3.1)
Exceptional items – restructuring related	5					(40.9)
Exceptional items – asset impairment	5					(23.0)
Exceptional items – estimated credit loss	5					(12.0)
Exceptional items – insurance						(11.6)
Amortisation of acquired intangible assets						(8.5)
Share of tax on joint ventures and associates						(1.2)
Operating loss						(124.2)
Net finance expense						(31.3)
Profit before taxation						(155.5)

Notes:

(i) Underlying operating profit is defined as operating profit excluding intangible amortisation as shown in Note 5 and exceptional items but including the pre-tax share of results from joint ventures and associates.

(ii) Included within underlying operating profit are the Group's share of profit/(loss) of joint ventures and associates in EMEA $3.3m and Rest of World $1.2m (2020: EMEA $3.0m and Rest of World $(0.7m)).

The information reported to the Chairman and Chief Executive Officer, the chief operating decision maker, does not include an analysis of assets and liabilities by segment and accordingly no such information is presented.

	Capital expenditure		Depreciation[(i)]		Amortisation	
	2021 $m	2020 $m	**2021 $m**	2020 $m	**2021 $m**	2020 $m
Americas	**12.4**	11.6	**37.6**	46.7	**5.9**	4.8
EMEA	**14.6**	23.9	**53.1**	46.6	**3.9**	2.5
Rest of World	**5.2**	2.8	**14.1**	13.3	**1.8**	1.4
Cargo Forwarding	**1.3**	0.9	**7.7**	5.0	**0.6**	0.7
	33.5	39.2	**112.5**	111.6	**12.2**	9.4

Note:
(i) Includes $82.9m of depreciation relating to IFRS 16 right of use assets (2020: $81.4m).

The revenue and non-current assets attributable to key countries is set out below.

Geographic information

	Revenue[(i)]		Non-current assets[(ii)]	
	2021 $m	2020 $m	**2021 $m**	2020 $m
USA	**414.5**	342.7	**170.3**	178.3
UK	**239.4**	222.5	**97.2**	105.3
Australia	**182.4**	132.8	**45.6**	50.7
Others	**516.2**	365.8	**317.9**	236.6
	1,352.5	1,063.8	**631.0**	570.9

Notes:
(i) 98% of the Group's revenue is earned at the point of service. The remaining 2% comprise franchise and consortia fees earned in Americas and EMEA.
(ii) Non-current assets exclude deferred tax assets and derivative financial assets.

3. Net Operating Costs

	Notes	**2021 $m**	2020 $m
Goods for resale and other direct operating costs		**276.1**	185.3
Consumable supplies		**21.4**	32.2
Employment costs	4	**635.7**	542.0
Lease costs relating to non-lease component and short-term leases of plant and equipment		**21.5**	23.3
Lease costs relating to short-term property leases		**4.9**	13.1
Depreciation	11	**112.5**	111.6
Gain on disposal of property, plant and equipment		**-**	0.1
Exceptional items	5	**7.1**	90.6
Intangible assets amortisation	10	**12.2**	11.2
Other operating charges		**207.1**	179.7
		1,298.5	1,189.1

The Group obtained services from the Group's auditor at costs as provided below.

	2021 $m	2020 $m
Audit of the Company and consolidated financial statements	**1.6**	1.2
Audit of the Company's subsidiaries pursuant to legislation	**0.6**	0.4

4. Employee Costs, Subsidies and People

	2021 $m	2020 $m
Wages and salaries	**689.2**	645.5
Government payroll subsidies(i)	**(133.3)**	(179.7)
Share-based payments	**1.4**	1.0
Social security costs	**58.3**	54.6
	615.6	521.4
Pension charge – defined contribution schemes(ii)	**18.9**	19.0
Pension charge – defined benefit scheme(iii)	**1.2**	1.7
	20.1	20.7
	635.7	542.1

Notes:

(i) The Group benefitted from various Covid related government grants and assistance programmes in many countries around the world, most notably the Coronavirus Aid, Relief, and Economic Security (CARES) Act in the USA, and the Coronavirus Job Retention Scheme (CJRS) in the UK.

During 2020 and 2021, the Group benefited from governmental funding under the CARES Act in the USA as set out in Note 16. Grant income is released over the period over which the US-based business is expected to be impacted by travel restrictions in response to Covid. The release is based on the expected revenue level compared to pre-Covid revenue and applied to expected payroll over the anticipated recovery timeline at date of receipt. In 2021, $66.3m (2020: $50.1m) was recognised in the income statement.

Under the CJRS scheme, grant income has been claimed in respect of certain costs to the Group of furloughed employees. The grant income recognised of $34.7m (2020: $61.4m) reflects the costs incurred in the UK that are eligible to be included in claims to the extent management considers there to be reasonable certainty that the grant will be received.

(ii) Certain subsidiaries participate in a number of pension schemes that are of a defined contribution nature and some of which operate overseas. The Income Statement charge for defined contribution schemes represents the contributions payable.

(iii) A defined benefit scheme is operated in the UK as set out in Note 21.

Average number of people employed during the year

	2021	2020
USA	**6,113**	6,585
UK	**3,726**	5,556
Australia	**1,776**	2,131
Others	**13,701**	12,617
	25,316	26,889

5. Exceptional and Other Items

Exceptional items included in operating profit

	2021 $m	2020(vi) $m
Acquisition and transaction related costs(i)	**(1.3)**	(3.1)
Restructurings(ii)	**(8.0)**	(40.9)
Asset impairment reversal/(cost)(iii)	**1.5**	(23.0)
Estimated credit loss reversal(iv)	**0.7**	(12.0)
Exceptional items – Insurance settlement(v)	**–**	(11.6)
	(7.1)	(90.6)

Notes:

(i) Acquisition and transaction related costs comprise $2.8m of joint venture set up and acquisition costs, partly offset by a $1.5m credit on historical transaction costs. In the prior year, acquisition and transaction costs related to joint venture set up costs.

(ii) Restructuring costs include $3.1m of costs to restructure the Group's lease portfolio including penalties to exit uneconomic leases, $2.7m of closure costs for uneconomic stations including $1.3m impairment of goodwill relating to a closed business and $2.2m redundancy costs. In the prior year, restructure costs comprised $31.2m of redundancy and workforce restructure costs, $5.0m for professional adviser fees related to the renegotiation of covenants of the Group's banking facilities and $4.7m in station closure costs all in response to the need to resize the business following the result of the governmental responses to the Covid pandemic.

(iii) Asset impairment reversals of $1.5m are recognised in respect of right-of-use property and equipment assets impaired in previous years for which settlement has been reached to exit the associated leases. In the prior year, impairment costs included $10.3m of owned equipment assets and $12.7m of leased property and equipment assets following a review of post-Covid asset utilisation.

(iv) Estimated net credit gains of $0.7m relate to $2.2m recovery of credit losses previously recognised, partly offset by the recognition of an additional $1.5m of estimated credit losses as a result of airlines facing financial difficulties due to flight restrictions in response to Covid. In the prior year, losses of $12.0m were incurred.

(v) Insurance settlement costs of $11.6m in the prior year relate to unanticipated reimbursement of costs to the insurers in respect of an incident that occurred in 2017.

(vi) The Group's bank facilities were revised during the prior year resulting in a fair value charge of $5.0m, which was recognised in the Income Statement as an exceptional finance charge.

Acquired intangible assets amortisation included in operating profit
Acquired intangible asset amortisation costs incurred were $9.6m (2020: $8.5m). The amortisation relates to contract, customer relationship and brand assets recognised on the acquisition of businesses.

Tax effect of exceptional items
The taxation effect of the exceptional items is a net credit of $1.6m (2020: $6.5m) due to tax deductible costs incurred during the year, offset in part by deferred tax credits not taken on tax deductions available for a proportion of the exceptional costs arising during the year.

6. Net Finance Costs

	2021 $m	2020 $m
Finance income		
Bank deposits	**0.3**	0.3
Finance charges		
Bank loans and overdrafts	**(17.2)**	(16.2)
Lease liabilities	**(9.7)**	(9.4)
Government loans	**(2.1)**	(0.7)
Preference dividends	**(0.2)**	(0.2)
	(29.2)	(26.5)
	(28.9)	(26.2)

7. Taxation

Tax charge in the Income Statement

	2021 $m	2020 $m
Current tax		
UK corporation tax on profit/loss for the year	**0.2**	0.1
Tax outside the UK	**15.9**	7.2
Adjustments to prior years' liabilities	**0.6**	0.7
	16.7	8.0
Deferred tax		
Origination and reversal of temporary differences	**(1.5)**	3.8
Adjustments to prior years' liabilities	**(0.3)**	(0.4)
	(1.8)	3.4
Retirement benefit obligation	**–**	(1.2)
	(1.8)	2.2
	14.9	10.3

Tax charged relating to items outside the Income Statement

	2021 $m	2020 $m
Deferred tax on actuarial gain on retirement benefit obligation	**0.4**	–
Deferred tax on net exchange adjustments	**0.3**	0.6
	0.7	0.6

7. Taxation continued

Effective tax rate

The reconciliation between tax charge and the product of accounting profit/(loss) multiplied by the Group's domestic tax rate is provided below.

	2021 $m	2020 $m
Profit/(loss) before tax	**29.7**	(155.5)
Profit/(loss) before tax multiplied by standard rate of UK corporation tax of 19% (2020: 19%)	**5.6**	(29.6)
Non-deductible expenses including intangible amortisation	**3.1**	3.8
Income not taxable	**(1.9)**	(0.3)
Impact of changes in tax rates	**0.6**	(1.7)
Profits covered by brought forward tax losses	**(1.2)**	(8.0)
Unrelieved losses outside the UK	**2.8**	8.8
Deferred tax asset recognised on losses outside the UK and other temporary differences	**(0.4)**	(0.9)
Deferred tax asset not recognised on losses and other temporary differences	**0.3**	20.0
Deferred tax asset written off	**0.6**	13.2
Exceptional deferred tax asset not recognised on losses and temporary differences	**1.2**	2.7
Higher/(lower) tax rates on earnings outside the UK	**3.3**	(0.5)
Share of joint venture and associate post-tax result included in (loss)/profit before tax	**(0.4)**	(0.9)
Adjustments to prior years' liabilities	**0.5**	0.3
Corporation tax provision movement	**0.8**	3.4
	14.9	10.3

The effective tax rate of 51% (2020: -6.6%) was driven mainly by the trading activities of the Group and the return to profitability in the year. The effective tax rate was negatively impacted in 2020 by deferred tax assets written off and deferred tax credits in the year not recognised as a result. While the return to trading profits in 2021 has brought the effective tax rate towards a rate more comparable with the preceding years to 2020, the tax rate continues to be negatively impacted by deferred tax credits not recognised in the year.

The main rate of UK corporation tax is 19% and will increase to 25% on 1 April 2023. In addition, it is expected that the Organisation for Economic Co-operation and Development (OECD) Pillar 2 changes will be effective from 2023 and will impact the Group effective tax rate going forward. The expected impact of these rules will be modelled in detail.

Factors that may affect future tax charges

The Group has tax losses carried forward that arose in subsidiary companies operating in the undernoted jurisdictions and are available for offset against future profits of those subsidiaries. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries where it is not probable that future taxable profits will be available against which such assets could be utilised. The losses carried forward are set out below.

	Expiry	2021 $m	2020 $m
Colombia	Carry forward for up to 12 years	**–**	1.8
Denmark	Carry forward indefinitely	**7.4**	7.8
France	Carry forward indefinitely	**2.4**	–
Germany	Carry forward indefinitely	**16.7**	17.2
Hungary	Carry forward for 5 years	**2.8**	2.7
Indonesia	Carry forward for 5 years	**1.5**	0.3
Ireland	Carry forward indefinitely	**2.9**	2.2
Italy	Carry forward indefinitely	**2.9**	2.9
Namibia	Carry forward indefinitely	**0.9**	0.5
Netherlands	Carry forward for 4 years	**11.3**	8.9
Norway	Carry forward indefinitely	**28.6**	32.3
Sint Maarten	Carry forward for 10 years	**2.7**	3.0
South Africa	Carry forward indefinitely	**26.6**	25.4
Spain	Carry forward indefinitely	**5.3**	6.6
Sweden	Carry forward indefinitely	**8.4**	5.7
Thailand	Carry forward for 5 years	**1.4**	1.9
UK	Carry forward indefinitely	**198.1**	174.3

The UK also has deferred tax assets not recognised on other temporary differences of $31.8m (2020: $38.0m), including temporary differences arising on property, plant and equipment, share-based payments, retirement benefit obligations, accruals and provisions.

8. Dividends paid on Ordinary Shares

The Board is not recommending a final dividend payment for the year (2020: $Nil).

9. Earnings Per Ordinary Share

	Basic		Underlying(i)	
	2021 $m	2020 $m	**2021 $m**	2020 $m
Profit/(loss) for the year after tax as set out in the Income Statement	**14.8**	(165.8)	**29.9**	(68.5)
Adjustment to exclude result relating to non-controlling interests	**0.4**	1.2	**0.4**	1.2
Earnings/(loss) for the year attributable to equity shareholders	**15.2**	(164.6)	**30.3**	(67.3)
Basic earnings per ordinary share				
Earnings/(loss) per ordinary share	**17.1¢**	(195.3)¢		
Diluted earnings/(loss) per ordinary share	**17.1¢**	(195.3)¢		
Underlying earnings per ordinary share(i)				
Earnings/(loss) per ordinary share			**34.0¢**	(79.8)¢
Diluted earnings/(loss) per ordinary share			**34.0¢**	(79.8)¢
Number of ordinary shares in issue				
Weighted average (million)	**89.1**	84.3		
Diluted weighted average (million)	**89.1**	84.3		

Note:
(i) Underlying earnings is presented as an additional performance measure and is stated before exceptional items.

The weighted average number of fully paid shares in issue during the year excludes those held by the employee share trusts. The diluted weighted average is calculated by adjusting for all outstanding share options that are potentially dilutive, that is, where the exercise price is less than the average market price of the shares during the year. There was no impact of these share options on the diluted weighted average number of shares (2020: Nil) and there was no anti-dilutive impact on basic or underlying EPS in the year (2020: Nil).

10. Intangible Assets

	Goodwill $m	Contracts, customer relationships and brands $m	Computer software $m	Total $m
Cost				
At 31 December 2020	207.8	149.2	27.4	384.4
Acquired	17.6	12.1	–	29.7
Additions	–	–	1.1	1.1
Disposals	–	–	(7.1)	(7.1)
Currency translation	(3.1)	(1.3)	(0.1)	(4.5)
At 31 December 2021	**222.3**	**160.0**	**21.3**	**403.6**

10. Intangible Assets continued

	Goodwill $m	Contracts, customer relationships and brands $m	Computer software $m	Total $m
Amortisation and impairment				
At 31 December 2020	31.9	104.2	20.0	156.1
Amortisation charge	–	9.6	2.6	12.2
Disposals	–	–	(7.1)	(7.1)
Impairment(i)	1.3	–	–	1.3
Currency translation	(0.3)	(0.5)	–	(0.8)
At 31 December 2021	**32.9**	**113.3**	**15.5**	**161.7**
Net book value				
At 31 December 2021	**189.4**	**46.7**	**5.8**	**241.9**
At 31 December 2020	175.9	45.0	7.4	228.3

Note:
(i) Goodwill of $1.3m was impaired in the year following the closure of a business in EMEA ground and fuel services due to a contract loss.

	Goodwill $m	Contracts, customer relationships and brands $m	Computer software $m	Total $m
Cost				
At 31 December 2019	203.5	144.1	25.4	373.0
Additions	–	–	1.2	1.2
Currency translation	4.3	5.1	0.8	10.2
At 31 December 2020	207.8	149.2	27.4	384.4
Amortisation and impairment				
At 31 December 2019	31.0	90.6	15.5	137.1
Amortisation charge	–	8.5	2.7	11.2
Impairment(i)	–	–	1.4	1.4
Currency translation	0.9	5.1	0.3	6.3
At 31 December 2020	31.9	104.2	20.0	156.1
Net book value				
At 31 December 2020	175.9	45.0	7.4	228.3
At 31 December 2019	172.5	53.5	9.9	235.9

Note:
(i) Computer software assets of $1.4m were impaired in the prior year following a review of post-Covid asset utilisation.

Goodwill acquired through business combinations has been allocated at acquisition to cash generating units (CGUs) that are expected to benefit from the business combination. The carrying amount of the goodwill has been allocated to the operating units as provided below.

		2021 Pre-tax discount rate used in impairment review	2021 Goodwill $m	2020 Pre-tax discount rate used in impairment review	2020 Goodwill $m
Americas	Ground and fuel services	**11%**	**74.5**	10%	75.2
	Air cargo services	**12%**	**13.3**	9%	13.5
EMEA	Ground and fuel services	**13%**	**74.6**	11%	61.7
	Air cargo services	**11%**	**3.8**	11%	3.8
Rest of World		**11%**	**11.3**	11%	10.1
Cargo Forwarding		**13%**	**11.9**	11%	11.6
			189.4		175.9

The Group tests goodwill annually for impairment or more frequently if there are indications that these may be impaired. The basis of these impairment tests including key assumptions are set out below.

The recoverable amounts of the CGUs are determined from value in use calculations. These calculations use future cash flow projections based on financial forecasts approved by management. The key assumptions for these forecasts are those regarding revenue growth, net margin, capital expenditure and the level of working capital required to support trading, which management estimates based on past experience and expectations of future changes in the market.

Value in use calculations are based on Board approved budgets and outlooks extrapolated out for five years. Growth rates in the cash flows beyond three years have been assumed to be Nil% (2020: Nil%). Net margin assumptions are based on historic experience.

Base case forecasts show significant headroom above carrying value for each CGU. Sensitivity analysis has been undertaken for each CGU to assess the impact of any reasonably possible change in key assumptions. For all significant CGUs there are no reasonably possible change that would cause the carrying values to exceed recoverable amounts. For the EMEA ground and fuel services CGU an impairment of $1.3m was recognised in respect of a specific business line within the CGU which closed during the year. No impairment is indicated over the remainder of the CGU.

11. Property, Plant and Equipment

	Owned freehold property $m	Leasehold property improvements $m	Right of use asset property $m	Right of use asset subleased as lessor $m	Owned plant and equipment $m	Right of use asset plant and equipment $m	Total $m
Cost							
At 31 December 2020	8.6	71.8	185.0	1.1	316.1	103.1	685.7
Additions	–	4.1	–	–	28.3	–	32.4
Acquired with subsidiaries	1.1	–	–	–	3.4	–	4.5
Right of use assets recognised	–	–	95.2	–	–	38.2	133.4
Disposals	–	(1.6)	(11.2)	–	(19.2)	(12.8)	(44.8)
Currency translation	(0.3)	(1.3)	(8.1)	–	(10.6)	(3.4)	(23.7)
At 31 December 2021	**9.4**	**73.0**	**260.9**	**1.1**	**318.0**	**125.1**	**787.5**
Depreciation							
At 31 December 2020	6.0	50.0	69.6	0.3	191.8	44.7	362.4
Charge for the year	0.3	4.2	55.3	–	25.1	27.6	112.5
Disposals	–	(1.2)	(12.0)	–	(15.4)	(9.9)	(38.5)
Currency translation	(0.1)	(1.1)	(3.3)	–	(6.3)	(1.5)	(12.3)
At 31 December 2021	**6.2**	**51.9**	**109.6**	**0.3**	**195.2**	**60.9**	**424.1**
Net book value							
At 31 December 2021	**3.2**	**21.1**	**151.3**	**0.8**	**122.8**	**64.2**	**363.4**
At 31 December 2020	2.6	21.8	115.4	0.8	124.3	58.4	323.3

11. Property, Plant and Equipment continued

	Owned freehold property $m	Leasehold property improvements $m	Right of use asset property $m	Right of use asset subleased as lessor $m	Owned plant and equipment $m	Right of use asset plant and equipment $m	Total $m
Cost							
At 31 December 2019	7.7	68.2	144.9	1.1	310.1	153.0	685.0
Additions	0.1	2.7	–	–	35.0	–	37.8
Right of use assets recognised	–	–	57.6	–	–	7.7	65.3
Disposals	–	(1.7)	(25.6)	–	(37.6)	(60.4)	(125.3)
Currency translation	0.8	2.6	8.1	–	8.6	2.8	22.9
At 31 December 2020	8.6	71.8	185.0	1.1	316.1	103.1	685.7
Depreciation							
At 31 December 2019	5.7	45.7	40.4	0.3	183.6	40.9	316.6
Charge for the year	0.1	3.7	48.2	–	26.4	33.2	111.6
Disposals	–	(1.5)	(22.2)	–	(31.4)	(30.8)	(85.9)
Impairment	–	–	–	–	8.1	–	8.1
Currency translation	0.2	2.1	3.2	–	5.1	1.4	12.0
At 31 December 2020	6.0	50.0	69.6	0.3	191.8	44.7	362.4
Net book value							
At 31 December 2020	2.6	21.8	115.4	0.8	124.3	58.4	323.3
At 31 December 2019	2.0	22.5	104.5	0.8	126.5	112.1	386.4

12. Investments

2021	Interest in joint ventures $m	Interest in associates $m	Other $m	Total $m
Net book value				
At 31 December 2020	18.9	0.3	0.1	19.3
Addition[(i)]	0.3	–	4.6	4.9
Share of post-tax results	4.7	–	–	4.7
Dividends received during the year	(2.8)	–	–	(2.8)
Currency translation	(0.5)	(0.1)	0.2	(0.4)
At 31 December 2021	**20.6**	**0.2**	**4.9**	**25.7**

2020	Interest in joint ventures $m	Interest in associates $m	Other $m	Total $m
Net book value				
At 1 January 2020	21.4	0.2	0.3	21.9
Share of post-tax results	1.0	–	–	1.0
Dividends received during the year	(3.7)	–	–	(3.7)
Disposal	–	–	(0.1)	(0.1)
Currency translation	0.2	0.1	(0.1)	0.2
At 31 December 2020	18.9	0.3	0.1	19.3

Note:
(i) During the year the Group acquired a 10% equity stake in JFreight Logistics Company in China for $4.6m.

Material joint ventures

2021	Menzies Aviation Bobba (Bangalore) Private Ltd $m	Menzies Macau Airport Services Ltd $m
Country of incorporation	India	China
Statutory year end	31 March	31 December
Business activity	Cargo handling services in Bengaluru	Ground handling and cargo handling in Macau
Interest held – ordinary shares	49%	29%
Interest held – preference shares	100%	–
Group's share of total comprehensive income	49%	29%
Group's share of net assets	64%	29%

2021	Menzies Aviation Bobba (Bangalore) Private Ltd $m	Menzies Macau Airport Services Ltd $m
Summarised Balance Sheet and reconciliation to carrying value		
Cash	9.1	11.9
Other current assets	3.2	2.8
Non-current assets	8.8	10.3
Current liabilities	(3.8)	(7.0)
Non-current liabilities	–	(0.7)
Net assets	17.3	17.3
Partners' share of net assets	(6.3)	(12.3)
Carrying amount of the investment	11.0	5.0
Summarised Income Statement		
Revenue	19.8	28.2
Depreciation and amortisation	(1.3)	(1.7)
Other operating costs	(12.0)	(22.7)
Interest income	0.4	–
Income tax	(1.3)	–
Profit/(loss)	5.6	3.8
Comprehensive income/(loss) for the year	5.6	3.8
Group's share of total comprehensive income/(loss)	2.8	1.1
Carrying amount of investment		
At 31 December 2020	11.1	4.0
Group's share of total comprehensive income	2.8	1.1
Dividends received during the year	(2.7)	–
Currency translation	(0.2)	(0.1)
At 31 December 2021	**11.0**	**5.0**

12. Investments continued

Material joint ventures continued

2020	Menzies Aviation Bobba (Bangalore) Private Ltd $m	Menzies Macau Airport Services Ltd $m
Interest held – ordinary shares	49%	29%
Interest held – preference shares	100%	–
Group's share of total comprehensive income	49%	29%
Group's share of net assets	67%	29%
Summarised Balance Sheet and reconciliation to carrying value		
Cash	7.7	4.9
Other current assets	2.6	3.1
Non-current assets	9.8	10.8
Current liabilities	(3.6)	(4.5)
Non-current liabilities	–	(0.7)
Net assets	16.5	13.7
Partners' share of net assets	(5.5)	(9.7)
Carrying amount of the investment	11.1	4.0
Summarised Income Statement		
Revenue	17.2	18.7
Depreciation and amortisation	(1.3)	(1.8)
Other operating costs	(9.3)	(20.9)
Exceptional items	–	(0.3)
Interest income	0.3	–
Income tax	(2.1)	–
Profit/(loss)	4.8	(4.3)
Comprehensive income/(loss) for the year	4.8	(4.3)
Group's share of total comprehensive income/(loss)	2.3	(1.3)
Carrying amount of investment		
At 31 December 2019	11.7	6.4
Group's share of total comprehensive income	2.3	(1.3)
Dividends received during the year	(2.6)	(1.2)
Currency translation	(0.3)	0.1
At 31 December 2020	11.1	4.0

Individually immaterial joint ventures and associates

	2021 $m	2020 $m
Carrying amount of interests in joint ventures and associates	**4.8**	4.1
Share of profit	**0.8**	–
Currency translation	**(0.2)**	0.2
Total comprehensive income	**0.6**	0.2

The listing of joint ventures and associates, along with subsidiary undertakings, is presented on pages 202 to 216.

13. Deferred Tax

	2021 $m	2020 $m
Deferred tax assets		
Tax losses	**3.2**	12.4
Deferred income taxed in advance	**13.9**	8.3
Other temporary differences[(i)]	**10.6**	8.2
	27.7	28.9
Deferred tax liabilities		
Intangible assets	**(3.0)**	(1.9)
Other overseas temporary differences	**(1.4)**	(2.2)
	(4.4)	(4.1)
Net recognised in the Balance Sheet	**23.3**	24.8
Movement in net deferred tax assets in the year:		
Income Statement: retirement benefit obligation	**(0.2)**	(1.2)
Income Statement: tax losses	**(9.2)**	(8.7)
Income Statement: deferred income taxed in advance	**5.6**	8.3
Income Statement: other	**5.7**	(0.6)
Exchange adjustments	**(0.6)**	(0.4)
Transaction related movements	**(1.9)**	–
Tax related to items credited outside the Income Statement	**(0.7)**	(0.6)
Currency translation	**(0.2)**	0.8
	(1.5)	(2.4)

Note:
(i) Other temporary differences broadly comprise deferred income taxed in advance, accruals that are deductible when settled, provisions and temporary differences arising on property, plant and equipment.

The value of unremitted earnings of the Group's subsidiaries on which no deferred tax liability has been provided is $37.6m (2020: $35.4m). No deferred tax liability has been recognised on the basis that the Group can control the timing of the remittance of these reserves and there are currently no plans for these reserves to be remitted.

14. Trade and Other Receivables

	2021 $m	2020 $m
Trade receivables	**201.7**	154.5
Less: provision for estimated credit loss	**(5.4)**	(17.9)
Net trade receivables	**196.3**	136.6
Accrued income	**53.2**	31.6
Consortia related receivables	**8.8**	8.7
Prepayments	**34.1**	25.1
Other receivables	**39.7**	51.1
	332.1	253.1

The average credit period on sale of goods is 53 days (2020: 44 days). Interest is not charged on trade receivables.

During the year $53.2m of accrued income at 31 December 2021 was recognised in the Income Statement (2020: $31.6m).

14. Trade and Other Receivables continued
Consortia related receivables include re-billable expenses and restricted cash relating to fuel farm management services. Restricted cash represents funding received from customers and held in a fiduciary capacity to be used on their behalf to satisfy fuel farm cash funding requirements within 12 months.

Credit risk management
Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. New customers are subject to formal credit checks. Credit terms for new customers cannot exceed 30 days without prior approval. New contracts and renewals with existing customers are subject to credit worthiness checks. Existing or previous trading experiences are taken into account before making a recommendation on terms. Receivables 12 months overdue are provided in full unless there is clear evidence of collectability. Bad debts written off require prior approval.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. Days past due is a key indicator of rates. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low due to its wide customer base. There is minimum risk relating to consortia related receivables due to funding received in advance for fuel farm operations.

Credit risk exposure

		Trade receivables				
2021	Accrued income $m	Current $m	31-60 days $m	61-90 days $m	Over 90 days $m	Total $m
Estimated credit loss rate	**0%**	**0%**	**0%**	**0%**	**40%**	
Gross carrying amount	**53.2**	**137.4**	**44.7**	**6.7**	**12.9**	**201.7**
Expected credit loss	**–**	**0.1**	**0.1**	**–**	**5.2**	**5.4**

		Trade receivables				
2020	Accrued income $m	Current $m	31-60 days $m	61-90 days $m	Over 90 days $m	Total $m
Estimated credit loss rate	0%	1%	8%	28%	60%	
Estimated total gross carrying amount at default	31.6	95.5	29.8	8.7	20.5	154.5
Expected credit loss	–	0.6	2.5	2.4	12.4	17.9

Allowance for expected credit loss

	2021 $m	2020 $m
At 1 January	**17.9**	3.3
Amounts provided	**(0.6)**	14.7
Amounts released	**(4.9)**	(0.2)
Amounts utilised	**(6.2)**	(0.9)
Currency translation	**(0.8)**	1.0
At 31 December	**5.4**	17.9

15. Trade and Other Payables

	2021 $m	2020 $m
Due within one year		
Trade payables	**60.5**	62.9
Employee related accruals	**84.9**	60.6
Other accruals	**107.7**	98.1
Government grants	**31.7**	32.7
Deferred income	**14.6**	4.6
Consortia related payables	**5.4**	11.3
Other taxes and social security costs	**9.2**	7.4
Other payables	**42.3**	41.9
	356.3	319.5
Due after more than one year		
Government grants	**36.0**	–
Other payables	**0.7**	0.4
	36.7	0.4

The carrying value of trade and other payables approximates fair value.

Included within other payables is contingent consideration as disclosed in Note 16. Such amounts included within other payables due within one year are $0.2m (2020: $2.3m).

During the year $4.6m of deferred income at 31 December 2020 was recognised in the Income Statement (2020: $2.0m).

16. Financial Instruments

Derivative financial instruments

Recognised in the Balance Sheet

	2021 $m	2020 $m
Current asset	**0.7**	0.3
Current liability	**(0.4)**	(1.1)
Non-current liability	**–**	(3.3)
Net fair value	**0.3**	(4.1)

Adjusted to fair value through the Statement of Comprehensive Income

	2021 $m	2020 $m
Cash flow hedges:		
Interest rate swaps	**0.2**	(3.3)
Foreign currency net investment hedges:		
Foreign exchange forward contracts	**0.1**	(0.8)
Net fair value	**0.3**	(4.1)

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Group only enters into derivative financial instruments that are designated as hedging instruments. The fair values of foreign currency instruments are calculated by reference to current market rates.

The Group uses a hierarchy for determining and disclosing the fair value of financial instruments by valuation technique as set out below.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

16. Financial Instruments continued
Derivative financial instruments continued
Adjusted to fair value through the Statement of Comprehensive Income continued
Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

During the year, all derivative financial instruments were measured using Level 2 fair value measurements (2020: all Level 2). For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Cash flow hedges
During the year the Group held foreign currency forward contracts designated as hedges of transaction exposures arising from revenue in foreign currencies. These contracts were in line with the Group's policy to hedge significant forecast transaction exposures for a maximum 18 months forward. The cash flow hedges for revenue in foreign currencies were assessed to be highly effective therefore there is no ineffectiveness recognised within the Income Statement. At 31 December 2021 the Group did not hold any hedges of transaction exposures.

The notional value of forward contracts utilised to hedge forecast foreign currency transaction exposures at 31 December is $Nil (2020: $Nil). The cash flow hedge reserve records the portion of the gains or losses on hedging instruments used as cash flow hedges that are determined to be effective.

The Group holds interest rate swaps which do not amortise and run to January 2025. The interest on the loan received in the US under the Coronavirus Aid, Relief, and Economic Security Act is fixed. At 31 December 2021, 23% (2020: 32%) of the interest on the Group's external borrowings was fixed.

Interest rate swaps designated as cash flow hedges were valued as an asset of $0.2m, their fair value (2020: $3.3m non-current liability).

Foreign currency net investment hedges
The Group's policy is to hedge the exposure of foreign currency denominated assets to minimise foreign exchange risk. This is primarily achieved using forward contracts denominated in the relevant foreign currencies. Gains or losses on the retranslation of these hedges are transferred to reserves to offset any gains or losses on translation of the net investments in the subsidiary undertakings. The foreign currency net investment hedges were assessed to be highly effective.

	2021		2020	
	Assets $m	Liabilities $m	Assets $m	Liabilities $m
Fair value of foreign currency net investment hedges	**0.3**	**(0.2)**	0.3	(1.1)
Current value	**0.3**	**(0.2)**	0.3	(1.1)

The notional value of forward contracts designated as foreign currency net investment hedges at 31 December is $45m (2020: $50m), all of which expire within 12 months.

The notional principal amounts of the Company's outstanding forward foreign exchange contracts against British pounds is provided below.

	2021 $m	2020 $m
Australian dollar	**9.4**	10.0
Canadian dollar	**9.0**	9.0
Colombian peso	**1.3**	1.5
Czech koruna	**5.2**	5.4
Danish krone	**0.8**	0.8
Euro	**–**	9.3
Indian rupee	**5.6**	5.8
Mexican peso	**1.2**	1.3
New Zealand dollar	**3.5**	3.6
Norwegian krone	**1.7**	1.8
South African rand	**1.9**	2.0
Swedish krona	**5.7**	6.1

Other financial instruments

Contingent consideration

The consideration for the acquisition of Royal Airport Services (Pvt) Ltd in the year includes a performance based element. The amount payable is largely dependent upon the EBITDA of the acquired business in its first rolling twelve month period in which travel restrictions in Pakistan relating to the Covid pandemic have been substantially lifted. The maximum payable is $5.4m and the minimum payable is $Nil. The value of the contingent consideration is $4.0m.

The acquisition of PlaneBiz 2015 Ltd in 2014 included options in relation to the 40% shareholding owned by a third party. These options took the form of a put option in favour of the third party shareholders for up to 30% of the share capital, exercisable in 2019, while the Group holds call options over 25% of the unexercised amount. During 2019, options relating to 15% of the share capital lapsed while the options relating to the remaining 15% were exercised but not paid. The final $2.3m was settled in 2021.

The acquisition of GTO Global Logistics Inc during the prior year included an earn out mechanism relating to the future profitability of the business. There is a base earn out and a growth earn out mechanism that compares actual EBITDA generated by the business over a three-year period compared to stipulated profit levels. The maximum amount payable is $0.5m and the minimum amount payable $Nil. As part of the acquisition accounting process the amount provided as deferred consideration was $0.3m and this remains unchanged at the year end.

The liabilities for contingent consideration and other acquisition related amounts are Level 3 derivative financial instruments. The fair value of contingent acquisition related amounts is set out below.

	2021 $m	2020 $m
Royal Airport Services (Pvt) Ltd	**4.0**	–
GTO Global Logistics Inc	**0.3**	0.3
PlaneBiz 2015 Ltd	**–**	2.3

16. Financial Instruments continued

Interest-bearing loans and borrowings

	Maturity	2021 $m	2020 $m
Bank overdrafts	On demand	**86.5**	119.3
Non-amortising sterling bank loan	January 2025	**138.1**	170.9
Amortising US dollar term loan	January 2025	**228.9**	240.1
US government loan	January 2030	**58.5**	35.8
Spanish government backed loan	June 2025	**3.8**	4.9
French government backed loan	July 2026	**1.7**	1.8
Other loans	September 2022	**1.8**	–
Lease liabilities	Various	**232.4**	193.3
Preference shares	Non-redeemable	**1.9**	1.9
		753.6	768.3
Current value		**173.5**	187.3
Non-current value		**580.1**	581.0
		753.6	768.3

The Company has issued 1,394,587 British pound denominated cumulative preference shares of £1 each. These shares are not redeemable and pay an interest coupon of 9% semi-annually.

Financing

The Group's facilities comprise a $235m amortising term loan and a $196m British pound denominated revolving credit facility, both due to mature in January 2025.

The Group continues to operate under modified covenants renegotiated in September 2020, with a requirement to maintain minimum liquidity headroom of $61m, denominated in British pounds, and a minimum EBITDA covenant measured quarterly until 30 June 2022. The Group will revert to the original covenants at the earlier of 30 June 2022, or on the Group's leverage as measured on a pre-IFRS 16 basis being below 3.0:1 for two consecutive quarters. During the year the Group repaid $10.0m of the term loan.

As set out in Note 5, a fair value adjustment of $5.0m was recognised in the prior year as an exceptional charge and increased debt relating to increased interest margin agreed under the revised facilities. This increased debt will be amortised over the remaining term of the facility, and the fair value at December 2021 is $3.9m.

Government grant and loan financing

During the year the Group received $122.0m of federal funding in the USA under the Coronavirus Aid, Relief, and Economic Security Act. This comprised $101.3m of grant funding to support the payroll of the US business and $20.7m in the form of a loan note.

Since June 2020 the Group has received $240.3m in funding under the Act, comprising $184.1m in grant funding and a $56.2m loan note. The loan note is a ten-year non-amortising term loan that attracts 1.0% cash and 3.0% non-cash interest during the first five years. There are no early repayment penalties relating to this loan. The loan note is set out in Note 18 and included within proceeds from borrowings in the Statement of Cash Flows. The Group has complied with the grant agreement and applicable federal law in the year. The Group has also complied with the requirements of the separate loan note during the year. The purpose of the grant is to support the business through the period when aviation activity has been most adversely impacted by the pandemic. As there in no specific period over which the grant funding is to be utilised management has applied judgment in determining the appropriate systematic basis to recognise the grant income for the Group. Grant income is recognised from the point when monies are received over the period in which the revenue and costs of the US-based business is expected to be impacted by travel restrictions in response to Covid. The recognition is based on the expected revenue level compared to pre-Covid revenue and applied to the expected payroll costs over the anticipated recovery timeline at date of receipt. The unutilised grant funding at 31 December 2020 and 2021 is included in Trade and Other Payables and disclosed separately in Note 17 Cash Generated from Operations. In the year ending 31 December 2021 grant funding recognised in the income statement was $66.3m (2020: $50.1m).

During the year the Group accounted for government support in Pakistan in the form of a $0.8m government backed bank loan acquired with the Royal Airport Services business. The loan was drawn in two tranches, both of which carry a liability of $0.4m and are repayable in September 2022. The loans attract a fixed interest rate of 2.0% on the first tranche and 3.0% on the second.

In the prior year the Group received support in Spain where the Group received a $4.9m bank loan that is backed by an 80% guarantee from the Spanish government. This five year term loan amortises monthly over four years from July 2021 and attracts a margin of 2.5% above EURIBOR, with a minimum rate payable of 2.5%.

In the prior year the Group received further support in France in the form of a $1.8m bank loan, guaranteed by the French government. This loan attracts a margin of 0.25% above EURIBOR for the first year. After the first year the loan can be repaid immediately or over a period from one to five years. The interest rate for the repayment period is EURIBOR + 1% for one to two years duration and EURIBOR +2% for the three-to five-year period.

Net borrowings

	2021 $m	2020 $m
Interest-bearing loans and borrowings	**753.6**	768.3
Derivative financial instruments	**(0.3)**	4.1
Total borrowings	**753.3**	772.4
Less: cash at bank, cash in hand and short-term deposits	**(254.2)**	(285.8)
	499.1	486.6

The book and fair values of net borrowings is provided below.

	2021		2020	
	Book value $m	Fair value $m	Book value $m	Fair value $m
Short-term bank borrowings	**15.8**	**15.8**	11.9	11.9
Medium-term bank borrowings	**363.4**	**363.4**	400.7	400.7
Long-term borrowings	**55.5**	**55.5**	43.1	43.1
Short-term lease liabilities	**71.2**	**71.2**	56.0	56.0
Long-term lease liabilities	**161.2**	**161.2**	137.3	137.3
Derivative financial instruments	**(0.3)**	**(0.3)**	4.1	4.1
Bank overdrafts	**86.5**	**86.5**	119.3	119.3
Total financial liabilities	**753.3**	**753.3**	772.4	772.4
Less: cash at bank, cash in hand and short term deposits	**(254.2)**	**(254.2)**	(285.8)	(285.8)
Net borrowings	**499.1**	**499.1**	486.6	486.6

The fair value of the fixed term, amortising borrowing is calculated as the present value of all future cash flows discounted at prevailing market rates.

Other than trade and other receivables and payables, there are no financial assets or liabilities excluded from the above analysis. No financial assets or liabilities were held or issued for trading purposes.

Currency and interest rate profile

	2021			2020		
	Floating rate financial liabilities $m	Fixed rate financial liabilities $m	Total $m	Floating rate financial liabilities $m	Fixed rate financial liabilities $m	Total $m
US dollar denominated	**181.4**	**178.2**	**359.7**	166.4	211.7	378.1
British pound denominated	**218.9**	**41.9**	**260.8**	252.7	46.6	299.3
Australian dollar denominated	**–**	**25.9**	**25.9**	–	31.6	31.6
Euro denominated	**5.5**	**50.6**	**56.1**	9.3	7.7	17.0
Other denominated	**1.5**	**49.6**	**51.1**	1.6	40.7	42.3
	407.4	**346.3**	**753.6**	430.0	338.3	768.3

16. Financial Instruments continued

Currency and interest rate profile continued

At 31 December 2021 undrawn committed facilities of $58.2m expired in more than five years (2020: $44.0m between two and five years).

Trade and other receivables and payables

Trade and other receivables and trade and other payables carrying values of $236.0m (2020: $187.7m) and $295.3m (2020: $263.5m), respectively, which approximate their fair values due to their short-term nature.

Sensitivity and risk information

Currency sensitivity

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in exchange rates relates primarily to the Group's operating activities and the Company's net investments in subsidiaries. The impact of the US dollar weakening/strengthening by 10% on currencies that have a significant impact on the consolidated profit before tax and equity, with all other variables held constant, is set out below.

		2021		2020	
	Changes in rate	Effect on profit before tax $m	Effect on equity $m	Effect on profit before tax $m	Effect on equity $m
British pound	+10%	**(1.1)**	**0.4**	(12.7)	3.0
British pound	-10%	**0.9**	**(0.3)**	10.4	(2.5)
Euro	+10%	**0.2**	**0.2**	(1.5)	(1.8)
Euro	-10%	**(0.1)**	**(0.2)**	1.3	1.5
Australian dollar	+10%	**0.6**	**4.6**	1.4	4.3
Australian dollar	-10%	**(0.5)**	**(3.7)**	(1.2)	(3.5)

Capital risk

The Group capital structure is managed in order to minimise the cost of capital whilst ensuring that it has access to ongoing sources of finance such as the debt capital markets. The Group defines capital as the sum of net borrowings (as set out in Note 18) and equity attributable to equity holders of the Company (as set out in the Group and Company Statement of Changes in Equity). The key terms of the new covenant package agreed during the year are set out above. To maintain or adjust its capital structure, the Group may issue new shares and/or adjust any dividend payment to shareholders.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily trade receivables, and from its financing activities, including deposits with banks as set out below.

	2021 $m	2020 $m
Bank deposits	**254.2**	285.8
Trade receivables	**196.3**	136.6
Accrued income	**53.2**	31.6
	503.7	454.0

Liquidity risk

Liquidity risk is managed by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows. The following is an analysis of the maturity of the consolidated financial liabilities and derivative financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Floating rate interest is estimated using the prevailing rate at the balance sheet date. Net values of transaction hedging are disclosed in accordance with the contractual terms of these derivative instruments.

2021	Due under 1 year $m	Due between 1 and 2 years $m	Due between 2 and 5 years $m	Due over 5 years $m
Interest-bearing loans and borrowings	**106.7**	**17.7**	**336.6**	**58.5**
Lease liabilities	**75.2**	**61.1**	**81.7**	**19.0**
Preference shares	**0.1**	**0.1**	**0.5**	**2.0**
Trade and other payables	**102.8**	**0.7**	**–**	**–**
Financial derivatives	**46.2**	**0.9**	**0.9**	**–**
	331.0	**80.5**	**419.7**	**79.5**

2020	Due under 1 year $m	Due between 1 and 2 years $m	Due between 2 and 5 years $m	Due over 5 years $m
Interest-bearing loans and borrowings	149.5	32.8	462.6	–
Lease liabilities	64.7	54.9	75.6	27.2
Preference shares	0.1	0.1	0.5	2.1
Trade and other payables	104.8	0.5	–	–
Financial derivatives	50.7	1.0	1.8	–
	369.8	89.3	540.5	29.3

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group's policy is to minimise exposures to interest rate risk by ensuring an appropriate balance of long-term and short-term floating rates and by maintaining interest rate swaps.

If interest rates on US dollar denominated borrowings had been 0.5% higher/lower with all other variables held constant, post-tax profit for the year would have been $0.6m (2020: $0.5m) lower/higher, as a result of higher/lower interest expense on floating rate borrowings.

If interest rates on British pound denominated borrowings had been 0.5% higher/lower with all other variables held constant, post-tax profit for the year would have been $0.6m (2020: $0.7m) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

17. Cash Generated from Operations

	2021 $m	2020 $m
Profit/(loss) before tax	**29.7**	(155.5)
Net interest charge	**29.0**	31.3
Share of post-tax results of joint ventures and associates	**(4.7)**	(1.1)
Depreciation	**112.5**	111.6
Amortisation of intangible assets	**12.2**	11.2
Share-based payments expense	**1.4**	1.0
Cash spend on onerous leases	**(2.3)**	(3.7)
Gain on sale of property, plant and equipment	**–**	0.1
Pension charge	**1.2**	1.7
Pension contributions in cash	**(11.1)**	(4.8)
Continuing operations exceptional items	**7.1**	90.6
Cash spend on exceptional items(i)	**(9.1)**	(35.1)
Movement in US government support	**35.0**	32.7
Movement in working capital	**(17.4)**	74.7
	183.5	154.7

Note:
(i) Current year spend relates mainly to redundancy and workforce restructuring costs as set out in Note 5.

18. Changes in Net Borrowings

	31 December 2020 $m	Lease liabilities recognised during the year less terminations $m	Cash flows $m	Arising on acquisition $m	Fair value movements $m	Currency translation $m	**31 December 2021 $m**
Cash at bank and in hand	285.8	–	(26.5)	0.3	–	(5.4)	**254.2**
Bank overdrafts	(119.3)	–	33.6	–	–	(0.8)	**(86.5)**
Net cash and cash equivalents	166.5	–	7.1	0.3	–	(6.2)	**167.7**
Bank loans due within one year	(11.9)	–	(3.9)	–	–	–	**(15.8)**
Lease liability due within one year	(56.1)	(41.9)	24.9	–	–	1.9	**(71.2)**
Preference shares	(1.9)	–	–	–	–	–	**(1.9)**
Government loans due after one year	(35.8)	–	(21.2)	–	(1.5)	–	**(58.5)**
Debt due after one year	(406.0)	–	50.7	(2.1)	–	(1.1)	**(358.5)**
Lease liability due after one year	(137.3)	(84.5)	56.3	–	–	4.3	**(161.2)**
Net derivative (liabilities)/assets	(4.1)	–	(0.2)	–	4.6	–	**0.3**
Net borrowings	(486.6)	(126.4)	113.7	(1.8)	3.1	(1.1)	**(499.1)**

As set out in the Statement of Cash Flows, proceeds from borrowings in the year were $18.2m (2020: $63.9m) and repayments of borrowings were $43.8m (2020: $0.1m). The principal element of lease payments were $81.2m (2020: $77.2m).

Currency translation movements result from the Group's policy of hedging net assets denominated in currencies other than British pounds, the Company's functional currency, which are denominated mainly in US dollars, euros and Australian dollars. The translation effect on net debt is offset by the translation effect on net assets, which resulted in an overall net exchange loss of $6.5m (2020: $5.1m). The net loss is recognised in other comprehensive income.

19. Leasing

The Group leases offices, warehouses, ground handling equipment and vehicles as a lessee. Lease contracts are typically entered into for fixed periods of one to ten years but may have break options or extension options. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group also has certain leases of property and equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the short-term lease and low value assets recognition exemptions for these leases.

The carrying amounts of right of use assets recognised and the movements during the year are set out in Note 11. The carrying amounts of lease liabilities and the movements during the year are set out in Note 16 and Note 18. The maturity profile of the Group's lease liabilities based on contractual undiscounted payments are set out in Note 16 along with the currency and interest rate profile. Cash outflows relating to both capitalised and non-capitalised leases were $117.3m (2020: $123.2m).

The following are the lease related amounts recognised in the Income Statement.

	Notes	**2021 $m**	2020 $m
Depreciation charge of right of use assets	11	**82.9**	81.4
Interest charge on lease liabilities	6	**9.7**	9.4
Expense relating to short-term leases		**15.0**	19.2
		107.6	110.0

The Group has lease commitments relating to non-lease components of contracts as well as short-term leases where the exemption from capitalisation has been utilised. Future aggregate minimum commitments under non-capitalised leases are set out below.

	2021 $m	2020 $m
Within one year	**13.5**	15.3
Between one and two years	**5.0**	11.5
Between two and three years	**0.7**	4.9
Between three and four years	**0.1**	0.7
Between four and five years	**–**	0.1
After five years	**–**	0.1
	19.3	32.5

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. In determining the lease term applicable for accounting purposes, management considers facts and circumstances that create economic incentive to exercise an extension option or not to exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended or not terminated. The assessment is reviewed if a significant event or significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

In addition, the Group has entered into one operating lease as lessor consisting of one floor of an office building. Rental income recognised by the Group during the year was $0.4m (2020: $0.5m). Future minimum rentals receivable under the non-cancellable operating lease as at 31 December 2021 are $0.4m (2020: $0.4m) within one year and $0.3m between two and five years (2020: $0.7m). This subleased asset is disclosed separately in Note 11.

20. Provisions

	Insurance $m	Legal and employee related $m	Property and equipment $m	Other $m	Group $m
At 31 December 2020	59.9	13.4	5.9	6.0	85.2
Provided during year	8.6	3.4	2.7	1.3	16.0
Arising on acquisition	–	2.6	–	–	2.6
Utilised during year	(11.5)	(4.6)	(2.3)	(0.3)	(18.7)
Reclassifications	3.8	0.8	–	(0.7)	3.9
Currency translation gain	(0.4)	(0.5)	(0.1)	(0.1)	(1.1)
At 31 December 2021	**60.4**	**15.1**	**6.2**	**6.2**	**87.9**
Current	**6.8**	**9.2**	**3.8**	**5.4**	**25.2**
Non-current	**53.6**	**5.9**	**2.4**	**0.8**	**62.7**
	60.4	**15.1**	**6.2**	**6.2**	**87.9**

	Insurance $m	Legal and employee related $m	Property and equipment $m	Other $m	Group $m
At 31 December 2019	43.3	27.5	6.9	3.7	81.4
Provided during year	18.7	8.6	2.8	6.0	36.1
Utilised during year	(3.0)	(22.9)	(3.7)	(3.9)	(33.5)
Reclassifications	–	0.2	(0.3)	–	(0.1)
Currency translation gain	0.9	–	0.2	0.2	1.3
At 31 December 2020	59.9	13.4	5.9	6.0	85.2
Current	46.8	6.3	3.7	5.0	61.8
Non-current	13.1	7.1	2.2	1.0	23.4
	59.9	13.4	5.9	6.0	85.2

20. Provisions continued

Insurance provisions relate to anticipated settlement obligations arising from past events. Reimbursement receivable assets of $23.3m (2020: $26.3m) relating to insurance and legal provisions are included in other receivables in Note 14. The timing and amount of these liabilities is uncertain and is based on estimates using available information on the claims and historical experience of similar claims.

Legal and employee related provisions include amounts in respect of the cost of settling workers' compensation claims in the USA. The timing and amount of these liabilities is uncertain and is based on estimates using available information on the claims and historical experience of similar claims. Property, plant and equipment provisions include equipment refurbishments and dilapidation obligations on leasehold properties that the Group has exited or anticipate exiting within the next two years, and non-rent costs associated with two retail premises on long leaseholds. Other provisions mainly comprise amounts recognised in relation to vendor settlement negotiations.

Contingent liabilities

The Group has a number of claims in the normal course of business that management believes should not result in a material impact to these consolidated financial statements.

21. Retirement Benefit Obligation

Defined benefit scheme

The principal defined benefit pension scheme is the Menzies Pension Fund (the fund) in the UK. The fund closed to future accrual in March 2017. The fund valuations were assessed in accordance with independent actuarial advice from PricewaterhouseCoopers (the Actuary).

Fund financial assumptions and information

The Actuary undertook a valuation of the fund as at 31 December 2021 (31 December 2020) based on the fund's membership data as at 31 March 2021. In deriving the results the Actuary used the financial assumptions as set out below.

	2021 %	2020 %
Price inflation	**3.4**	2.9
Discount rate	**1.8**	1.3
Rate of increase on pensions accrued before 2006	**3.7**	3.5
Rate of increase on pensions accrued after 2006	**2.3**	2.1

Assumptions regarding future mortality experience are based on advice that uses published statistics and experience in the business.

The average future life expectancy for a pensioner aged 65 is set out below.

	2021 Years	2020 Years
Male	**21**	21
Female	**23**	23

The average future life expectancy at age 65 for a non-pensioner aged 45 is set out below.

	2021 Years	2020 Years
Male	**22**	22
Female	**25**	24

The membership of the fund is set out below.

	2021	2020
Deferred members	**2,677**	2,884
Pensioners	**1,719**	1,699
	4,396	4,583

The liability split of the fund by membership is set out below.	**2021**	2020
Deferred members	**49%**	56%
Pensioners	**51%**	44%

The average liability duration of the fund by membership is set out below.	**2021 Years**	2020 Years
Deferred members	**22**	21
Pensioners	**12**	12

Overall weighted average liability duration is 17 years (2020: 17 years).

Pension expense
The charge to the Income Statement is assessed in accordance with independent actuarial advice from the Actuary using the projected unit method. The components of pension expense are set out below.

	2021 $m	2020 $m
Amounts charged to operating profit		
Administrative costs	**1.2**	1.7
Amounts included in finance costs		
Interest cost on defined benefit obligation	**6.5**	8.5
Interest income on fund assets	**(6.5)**	(8.5)
Net finance charge	**–**	–
	1.2	1.7

The components of the actuarial gain/(loss) in the consolidated Statement of Comprehensive Income are:

	2021 $m	2020 $m
Returns on fund assets excluding interest income	**13.1**	41.4
Changes in demographic assumptions	**(18.4)**	5.3
Changes in financial assumptions	**20.7**	(50.4)
Experience	**(13.6)**	(1.2)
Actuarial gain/(loss)	**1.8**	(4.9)

Changes in fund assets and defined benefit obligation	**2021 $m**	2020 $m
Fair value of fund assets at 1 January	**502.6**	454.1
Interest income	**6.5**	8.5
Returns on assets excluding interest income	**13.1**	41.4
Company contributions	**11.1**	4.8
Benefits and expenses paid	**(23.2)**	(22.6)
Currency translation	**(4.7)**	16.4
Fair value of fund assets at 31 December	**505.4**	502.6
Return on fund assets including interest income	**19.6**	49.9

21. Retirement Benefit Obligation continued

Changes in fund assets and defined benefit obligation continued

	2021 $m	2020 $m
Defined benefit obligation at 1 January	**511.8**	461.1
Administrative costs	**1.2**	1.7
Interest cost	**6.5**	8.5
Benefits and expenses paid	**(23.2)**	(22.6)
Changes in demographic assumptions	**18.4**	1.2
Changes in financial assumptions	**(20.8)**	50.5
Experience	**13.6**	(5.3)
Currency translation	**(4.6)**	16.7
Defined benefit obligation at 31 December	**502.9**	511.8

Fair value of fund assets and liabilities

	2021			2020		
	Quoted $m	Unquoted(i) $m	Total $m	Quoted $m	Unquoted(i) $m	Total $m
Equities	**89.9**	**–**	**89.9**	85.7	–	85.7
Bonds	**199.6**	**–**	**199.6**	151.6	–	151.6
Investment funds	**41.0**	**41.2**	**82.2**	23.8	38.7	62.5
Liability driven investment funds	**–**	**79.4**	**79.4**	–	114.8	114.8
Property	**–**	**–**	**–**	–	32.0	32.0
Annuity contracts(ii)	**–**	**7.0**	**7.0**	–	7.0	7.0
Cash	**23.7**	**4.9**	**28.6**	37.6	–	37.6
Other	**0.4**	**18.1**	**18.6**	0.8	10.7	11.5
Assets	**354.6**	**150.7**	**505.3**	299.5	203.1	502.6
Defined benefit obligation			**(502.9)**			(511.8)
Recognised in Balance Sheet			**2.4**			(9.2)
Related deferred tax asset (Note 13)			**–**			–
Net retirement asset/(obligation)			**2.4**			(9.2)

Notes:
(i) The valuations of unquoted assets have been determined by reference to appropriate manager valuation reports.
(ii) The fund holds annuity contracts in respect of a number of members that provide cash flows to the Fund that match the benefit payments to these members.

The value of fund liabilities at various assumptions is set out below.

	2021 $m	2020 $m
0.5% decrease in discount rate	**548.5**	556.2
One year increase in life expectancy	**527.3**	536.4
0.5% decrease in inflation	**479.6**	491.1
0.25% increase in pensions	**517.3**	524.9

Actuarial gains and losses are recognised immediately through the remeasurement of the net defined benefit liability.

Benefits, regulatory framework and governance of the fund

The fund is a registered defined benefit career average revalued earnings scheme subject to the UK regulatory framework for pensions, including the statutory funding regime. The fund is operated under trust and, as such, the Trustee of the fund is responsible for operating the fund and it has a statutory responsibility to act in accordance with the fund's Trust Deed and Rules in the best interests of the beneficiaries of the fund and UK legislation including trust law. The Trustee and the Company have the joint power to set the contributions that are paid to the fund. Small settlements of members' retirement obligations have occurred over the year.

Fund risks and investment strategy
The nature of the fund exposes the Company to the risk of paying unanticipated additional contributions to the fund in times of adverse experience.

The most financially significant risks are that the movements in the value of the fund's liabilities are not met by corresponding movements in the value of the fund's assets as a result of lower than anticipated discount rates; lower than expected investment returns; members living for longer than expected; and higher than expected actual inflation and pension increase experience.

The sensitivity analysis disclosed above is intended to provide an indication of the impact on the value of the fund's liabilities of the risks highlighted.

The Trustee's current investment strategy is to invest the majority of the fund's assets in a mix of equities and bonds in order to strike a balance between maximising the returns on the fund's assets and minimising the risks associated with lower than expected returns on the fund's assets. The Trustee has implemented a de-risking process such that the fund's assets are being gradually switched out of equities and other return seeking assets and into bonds as funding improves. This should lead to better matching of risk on the valuation of assets and liabilities as the fund matures whilst at the same time allowing the Trustee to lock in favourable asset performance.

Company contributions and other information
The triennial valuation process in which the Company and Trustee agree the medium-term funding strategy is nearing completion for 31 March 2021 with final agreement expected before the 30 June 2022 deadline.

The schedule of Company contributions have remained unchanged since that agreed 29 November 2018. The schedule sets out the additional contributions required to meet the funding shortfall between the value of the fund's assets and liabilities. These are annual contributions of $13.4m, denominated in British pounds and translated at the 31 December 2021 US dollar rate, until 31 March 2026 increasing with any increase in the UK retail price index. In addition, it has been agreed that the Company will continuing repaying the amounts deferred in 2020 at $1.8m per annum, denominated in British pounds and translating at the 31 December 2021 US dollar rate, until 31 March 2026.

The value of the net liabilities of the fund at 31 March 2021 as measured on the Trustee's technical provisions basis was approximately $52.2m and the funding level, being the ratio of assets to liabilities measured on the technical provisions basis was 90%. The Company and the Trustee have agreed that the schedule of contributions may be revised should the funding level reach 98% following any quarter end before 31 March 2026. The purpose of any revision would be to ensure that contributions are sufficient to reach 100% by 31 March 2026 without the possibility of overfunding at that time. The Company has an unconditional right to a refund of a projected future fund surplus at some point in the future. There is no requirement for the Group to adjust the Balance Sheet to recognise the future agreed deficit recovery contributions. The next triennial valuation of the fund will be effective as at 31 March 2024.

22. Share Capital

The Company's share capital is denominated in British pounds.

	2021 $m	2020 $m
Allotted, called up and fully paid		
Opening – 84,490,964 ordinary shares of £0.25 each	**36.3**	36.3
Cash box and retail placing – 7,586,206 ordinary shares of £0.25 each(i)	**2.7**	–
Closing – 92,085,620 ordinary shares of £0.25 each(ii)	**39.0**	36.3

Notes:
(i) On 11 May 2021 the Company issued 7,586,206 shares through a cash box placing and retail offer, at a nominal value of $2.7m with share premium recognised of $27.6m.
(ii) As a result of share scheme allotments, 8,450 (2020: 23,070) ordinary shares having a nominal value of $Nil (2020: $Nil) were issued during the year at a share premium of $nil (2020: $0.1m).

Until 2020, employees were able to subscribe for options on shares in the Company under the Savings related Share Option Scheme approved by the shareholders, details of which are shown below. Options on 9,834 shares were exercised in 2021 and 624,283 options lapsed.

22. Share Capital continued

Year of grant	Exercise price	Exercise period	**2021 Number**	2020 Number
2017	£5.67	2020-2021	**–**	261,616
2018	£4.70	2021-2022	**213,668**	341,855
2019	£3.17	2022-2023	**221,009**	335,930
2020	£0.91	2023-2024	**612,085**	741,478
			1,046,762	1,680,879

Company share schemes

The Company operates the following share-based payment arrangements as set out below.

Savings-related Share Option Scheme

Until 2020, the Company operated a Savings related Share Option Scheme that was open to all full and part-time employees in the UK. Annual grants of options were made in September or October each year and become exercisable after three years. Employees enter into a savings contract administered by a third party.

The options were granted at a 20% discount of the share price at the date of grant and lapsed if not exercised within six months of maturity. Special provisions applied to employees who leave their employment due to ill health, redundancy or retirement. The scheme was closed in 2021.

Long term Incentive Plan (LTIP)

The LTIP enables divisional and senior management to align more closely with the achievement of target Group and divisional financial results. A detailed description of this plan can be found in the current Directors' Remuneration Policy and accessed via the Company's website at www.menziesaviation.com/investor-centre.

Shares are to vest at the end of three year financial periods. A $Nil award will be achieved where the financial results are below the threshold performance target, 25% if at threshold and 100% will vest where the results are equal to or greater than the stretch performance target, with a result between threshold and stretch being made on a straight line basis. Actual performance targets for Executive Directors are disclosed in the Directors' Remuneration Report in the year following the expiry of the performance period.

Share Matching Plan (SMP)

The SMP offered Executive Directors and other Senior Executives selected by the Board the opportunity to invest part of their annual cash bonus for a financial year in the Company's shares, entitling them, provided certain performance targets are met, to a grant of additional matching shares. The scheme was discontinued in 2017 with the final awards maturing in 2020.

Fair values of share options

Options are valued using the Black-Scholes option-pricing and the Monte Carlo simulation models.
No performance conditions are included in the fair value calculations.

The fair value per option granted and the assumptions used in the calculation is set out below. As set out above, the scheme was closed in 2021.

	Savings related Option Scheme		
Date of grant (November)	2020	2019	2018
Share price at grant date	£1.15	£3.96	£5.88
Exercise price	£0.91	£3.17	£4.70
Vesting period (years)	3	3	3
Expected volatility	55%	22%	23%
Option life (years)	3.5	3.5	3.5
Expected life (years)	3.5	3.5	3.5
Risk-free rate	–0.1%	0.3%	1.0%
Expected dividends expressed as a dividend yield(i)	–	4.3%	3.7%
Fair value per option	£0.37	£0.73	£0.97
Charge per option(ii)	$0.36	$0.66	$0.90

The expected volatility is based on the historical volatility over the last three years. The expected life is the average expected period to vesting. The risk free rate of return is the zero coupon UK government bonds of a term consistent with the assumed award life.

Notes:
(i) Based on the daily 12 month trailing dividend yield averaged over the 12 months prior to valuation date.
(ii) The difference between the fair value and charge per option is due to adjustments for forfeiture risk.

	LTIP		
Date of grant (March)	**2021**	2020	2019
Share price at grant date	**£2.40**	£1.15	£4.01
Contractual life (years)	**3.0**	3.0	3.4
Expected leavers	**0%**	0%	0%
Expected outcome of meeting performance criteria	**n/a**	n/a	n/a
Fair value per share	**£1.34**	£0.42	£1.83
Charge per share award, adjusted for forfeiture risk	**$1.84**	$0.54	$2.42

Movement in share options

	Savings-related Option Scheme			
	2021		2020	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Outstanding at start of year	**1,680,879**		1,620,944	
Granted	**–**		745,628	
Forfeited/expired	**(624,283)**		(668,509)	
Exercised	**(9,834)**		(17,184)	
Outstanding at end of year	**1,046,762**	**£2.16**	1,680,879	£2.87
Exercisable	**213,668**		261,616	
Range of exercise prices		**£0.91-£4.70**		£0.91-£5.67
Weighted average remaining contractual life (years)	**2.2**		1.9	

	LTIP			
	2021		2020	
	Number	**Weighted average price**	Number	Weighted average price
Outstanding at start of year	**985,844**	**£2.83**	900,431	£5.28
Awards made	**883,541**	**£2.40**	692,019	£1.15
Lapsed	**(150,019)**	**£6.83**	(606,606)	£2.87
Exercised	**–**	**–**	–	–
Outstanding at end of year	**1,719,366**	**£2.26**	985,844	£2.83
Range of award date prices		**£1.15-£4.05**		£1.15-£6.83
Weighted average remaining contractual life (years)	**1.5**		1.6	

Charge for share-based incentive schemes
The total charge for the year relating to employee share-based plans was $1.4m (2020: $1.0m), all of which related to equity-settled share-based payment transactions. After tax the total charge was $1.4m (2020: $1.7m).

Treasury shares
Ordinary shares are held for employee share schemes. At 31 December 2021, the Company held 184,769 (2020: 181,642) ordinary shares with a market value of $0.8m (2020: $0.7m).

23. Acquisitions

There were two material acquisitions in the year. On 21 January 2021 the trade and assets of the Iraqi Airways ground services operations at Baghdad (Iraq) were acquired for $7.7m consideration. On 26 January 2021, 51% of Royal Aviation Services (RAS) in Pakistan was acquired for $14.3m consideration. The trade and assets of DAL Global Services, LLC. in Guam were acquired in January 2021 for $1.0m. On 30 September 2021 51% of Interexpresso Costa Rica Corporacion ILC S.A., Interexpresso de Guatemala, S.A. and Interexpresso El Salvador, S.A. de C.V. were acquired for $0.8m. On 29 November, the Group acquired the remaining 50% stake in its Hamilton Aero Avionics joint venture in New Zealand for $0.3m. There were no acquisitions in the prior year.

	Iraq $m	RAS $m	Other $m	**2021 $m**
Purchase consideration:				
Cash paid	3.9	10.0	2.1	**16.0**
Deferred consideration	3.8	4.3	–	**8.1**
	7.7	14.3	2.1	**24.1**
Non-controlling interest measured	–	10.2	0.8	**11.0**
Less: fair value of net assets acquired	(7.7)	(8.9)	(0.9)	**(17.5)**
Goodwill	–	15.6	2.0	**17.6**

Goodwill recognised with respect to all acquisitions is primarily attributable to workforce expertise and synergies with other Group companies.

The consideration for RAS includes $4.0m that is deferred and contingent upon future performance. Details are set out in Note 16.

The fair value of assets and liabilities arising from the acquisitions were:

	Iraq $m	RAS $m	Other $m	**2021 $m**
Intangible assets – contracts and customer relationships	3.9	7.6	0.6	**12.1**
Deferred tax assets	–	0.6	–	**0.6**
Property, plant and equipment	3.8	4.5	–	**8.3**
Inventory	–	–	0.1	**0.1**
Trade and other receivables	–	6.3	0.7	**7.0**
Cash	–	0.2	0.1	**0.3**
Trade and other payables	–	(3.4)	(0.4)	**(3.8)**
Provisions	–	(2.6)	–	**(2.6)**
Non-current borrowings	–	(2.1)	–	**(2.1)**
Deferred tax liability	–	(2.2)	(0.2)	**(2.4)**
Net assets acquired at fair value	7.7	8.9	0.9	**17.5**

Current assets acquired with RAS included $1.0m of trade receivables at fair value, the gross amount acquired. The fair values of the net assets of the Interexpresso companies remain provisional pending the formal completion of the valuation process.

The acquired businesses contributed $37.1m revenue and $6.1m profit before taxation from acquisition dates. If the businesses had been acquired on 1 January 2021, the Group's revenue and profit before taxation would have been $1,355.5m and $30.3m, respectively. As disclosed in Note 5, $1.3m of acquisition and transaction costs have been expensed in the year (2020: $3.1m).

Prior to the acquisition of trade and assets in Iraq, funding was received from non-controlling interests in the acquiring entity, The United Iraqi Company for Airports and Ground Handling Services Limited, and its parent, Aviation Service Iraq Ltd. A non-controlling interest of $5.2m is recognised in the Statement of Changes in Equity reflecting the investment by non-controlling interests. In connection with funding the minimum capital requirements of the operating company in Baghdad, a loan of $3.9m was extended to a non-controlling interest. This loan was subsequently repaid during the year.

24. Related Party Transactions

During the year, the Group transacted with related parties in the normal course of business and on an arm's length basis. These sales to and from related parties are made at normal market prices and details are set out below.

	Group share holding %	**Sales to related party 2021 $m**	**Amounts owed by related party at 31 December 2021 $m**	Sales to related party 2020 $m	Amounts owed by related party at 31 December 2020 $m
Menzies Macau Airport Services Ltd	29	**0.5**	**0.1**	0.6	0.1
Menzies Aviation Bobba (Bangalore) Private Ltd	49	**0.2**	**0.1**	0.1	0.1
Menzies Aviation Cairns Pty Ltd	50	**0.3**	**2.1**	0.2	0.6

Remuneration of key management personnel, who comprise Directors of the Company and those having authority and responsibility for planning, directing and controlling activities of the business as disclosed in the segmental analysis is set out below.

	2021 $m	2020 $m
Short-term employee benefits	**6.2**	3.5
Post-employment pension and medical benefits	**0.4**	0.4
Share-based payments	**1.4**	0.9
	8.0	4.8

The subsidiary entities and those in which the Company has a significant interest at 31 December 2021 are disclosed as an appendix to these financial statements.

25. Events After the Reporting Date

On 21 February 2022, the Board announced that, following a further revised proposal from National Aviation Services, a subsidiary of Agility Public Warehousing Co K.S.C.P., it had considered its final proposal and indicated that it would be willing to recommend an offer at the financial terms of the final proposal to the Company's shareholders, subject to the satisfactory resolution of other terms of the offer.

Following the Russian invasion of Ukraine in February 2022, the Board has considered the impact on the Group's operations and continue to monitor the developing situation. Whilst the Group does not have operations in Ukraine and Russia and has no exposure in terms of revenue arising in these territories, we are continuing to monitor any wider impacts on air travel and recognise that these are difficult to assess fully at this time.

COMPANY FINANCIAL STATEMENTS
BALANCE SHEET
AS AT 31 DECEMBER 2021 (31 DECEMBER 2020)

	Notes	**2021 £m**	2020 £m
Assets			
Non-current assets			
Property, plant and equipment	5	**–**	0.2
Investments in subsidiaries	6	**121.6**	121.6
Deferred tax assets	7	**0.2**	0.2
Retirement benefit surplus	13	**1.8**	–
		123.6	122.0
Current assets			
Trade and other receivables	8	**621.7**	597.5
Current tax receivable		**0.4**	0.1
Derivative financial assets	11	**0.3**	0.2
Cash and cash equivalents		**5.8**	15.8
		628.2	613.6
Liabilities			
Current liabilities			
Borrowings	10	**(59.6)**	(67.5)
Derivative financial liabilities	10	**(0.3)**	(0.8)
Trade and other payables	9	**(233.1)**	(201.5)
Provisions	11	**(4.8)**	(3.4)
		(297.8)	(273.2)
Net current assets		**330.4**	340.4
Total assets less current liabilities		**454.0**	462.4
Non-current liabilities			
Borrowings	10	**(276.7)**	(300.3)
Derivative financial liabilities	10	**–**	(2.4)
Provisions	11	**(0.7)**	(2.1)
Retirement benefit obligation	13	**–**	(6.7)
		(277.4)	(311.5)
Net assets		**176.6**	150.9
Ordinary shares	14	**23.0**	21.1
Share premium account		**43.1**	23.6
Treasury shares		**(1.2)**	(1.2)
Other reserves		**(1.3)**	(3.3)
Merger relief reserve		**56.7**	67.3
Retained earnings[(i)]		**34.7**	21.8
Capital redemption reserve		**21.6**	21.6
Equity		**176.6**	150.9

Note:
(i) Profit after tax for the year was £0.1m (2020: loss of £15.4m).

The accounts were approved by the Board of Directors on 8 March 2022 and signed on its behalf by:

Philipp Joeinig
Chairman and
Chief Executive Officer

Alvaro Gomez-Reino
Chief Financial Officer

Company No. SC34970

COMPANY FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2021 (31 DECEMBER 2020)

	Ordinary shares £m	Share premium account £m	Treasury shares £m	Hedge reserve £m	Merger relief reserve £m	Retained earnings £m	Capital redemption reserve £m	Equity £m
At 31 December 2020	21.1	23.6	(1.2)	(3.3)	67.3	21.8	21.6	150.9
Profit for the year	–	–	–	–	–	0.1	–	0.1
Other comprehensive income	–	–	–	2.0	–	1.2	–	3.2
Total comprehensive income	–	–	–	2.0	–	1.3	–	3.3
New share capital issued	1.9	19.5	–	–	–	–	–	21.4
Realisation[(i)]	–	–	–	–	(10.6)	10.6	–	–
Share-based payments	–	–	–	–	–	1.0	–	1.0
At 31 December 2021	**23.0**	**43.1**	**(1.2)**	**(1.3)**	**56.7**	**34.7**	**21.6**	**176.6**

	Ordinary shares £m	Share premium account £m	Treasury shares £m	Hedge reserve £m	Merger relief reserve £m	Retained earnings £m	Capital redemption reserve £m	Equity £m
At 31 December 2019	21.1	23.5	(1.2)	(1.6)	67.3	40.6	21.6	171.3
Profit for the year	–	–	–	–	–	(15.4)	–	(15.4)
Other comprehensive loss	–	–	–	(1.7)	–	(4.1)	–	(5.8)
Total comprehensive loss	–	–	–	(1.7)	–	(19.5)	–	(21.2)
New share capital issued	–	0.1	–	–	–	–	–	0.1
Share-based payments	–	–	–	–	–	0.7	–	0.7
At 31 December 2020	21.1	23.6	(1.2)	(3.3)	67.3	21.8	21.6	150.9

Note:
(i) As set out in Note 15, £10.6m of the unrealised Merger relief reserve became realised during the year.

COMPANY FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021 (YEAR ENDED 31 DECEMBER 2020)

	Notes	**2021 £m**	2020 £m
Cash flows from operating activities			
Cash generated from operations	13	**(5.1)**	(18.9)
Interest paid on lease liabilities		**(0.2)**	(0.2)
Other interest paid including arrangement fees		**(10.7)**	(15.7)
Tax paid		**(0.1)**	–
Net cash flow used in operating activities		**(16.1)**	(34.8)
Net cash flow from investing activities		**–**	–
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		**21.4**	0.1
Proceeds from borrowings		**–**	15.5
Repayment of borrowings		**(30.3)**	–
Principal element of lease repayments		**(0.9)**	(0.9)
Net amounts repaid by/(lent to) subsidiaries		**16.5**	(31.7)
Net cash flow from/(used in) financing activities		**6.7**	(17.0)
Decrease in net cash and cash equivalents		**(9.4)**	(51.8)
Opening net cash and cash equivalents(i)		**(44.4)**	7.4
Closing net cash and cash equivalents(i)		**(53.8)**	(44.4)

Note:
(i) Net cash and cash equivalents comprise cash at bank and in hand and bank overdrafts.

COMPANY FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS

The financial statements of the Company for the year ended 31 December 2021 were approved and authorised for issue in accordance with a resolution of the Directors on 8 March 2022. John Menzies plc, a public company with registered number SC34970 and registered address of 2 Lochside Avenue, Edinburgh Park, Edinburgh EH12 9DJ is a limited company incorporated in Scotland and listed on the London Stock Exchange.

1. Significant Accounting Policies

Basis of preparation

The principal accounting policies adopted by the Company are the same as those set out in the consolidated financial statements. They have consistently been prepared under the historical cost convention and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

As permitted by section 408 of the Companies Act 2006, no Income Statement is presented by the Company.

New accounting standards and amendments

The new accounting standards and amendments applicable for the Company for the first time in 2021 are the same as those set out in the consolidated financial statements.

Assumptions, estimates and judgments

The preparation of the Company's financial statements requires management to make assumptions, estimates and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates will, by definition, seldom equal the related actual results, particularly given changes in economic conditions and the level of uncertainty regarding their duration and severity.

Management considers the items where the largest estimates and judgments have been made in the Company's accounts relate to the retirement benefit obligation and income taxes. Details are set out in the consolidated financial statements.

2. Audit Fees

During the year, the Company obtained services from the Group's auditor at costs set out in the consolidated financial statements.

3. Directors' Emoluments

	2021 £m	2020 £m
Salary, fees and benefits	**2.3**	1.3
Pension salary supplement	**0.1**	0.2
	2.4	1.5

No gains were made on the exercise of Long Term Incentive Plan awards (2020: None). There were eight employees of the Company, all of whom were members of the Board (2020: Eight). Key management personnel are the same as the individuals who are Directors of the Company.

Further details of the Directors' remuneration are disclosed in the Directors' Remuneration Report.

4. Dividends

No dividends were paid in the year.

5. Property, Plant and Equipment

	Right of use asset property £m	Right of use asset subleased as lessor £m	**2021 £m**	2020 £m
Cost				
At beginning of year	0.9	0.8	**1.7**	1.7
At end of year	0.9	0.8	**1.7**	1.7
Depreciation				
At beginning of year	0.9	0.6	**1.5**	0.9
Charge for the year	–	0.2	**0.2**	0.6
At end of year	0.9	0.8	**1.7**	1.5
Net book value				
At end of year	–	–	**–**	0.2
At beginning of year	–	0.2	**0.2**	0.2

6. Investments in Subsidiaries

During the year there was no change in the investment in subsidiary entities of £121.6m (2020: £121.6m).

7. Deferred Tax

	2021 £m	2020 £m
Deferred tax assets		
Other temporary differences	**0.2**	0.2
Movement in net deferred tax assets in the year:		
Income Statement: retirement benefit obligation	**(0.1)**	(0.9)
Income Statement: other	**0.4**	(4.9)
Tax related to items credited outside the Income Statement	**(0.3)**	–
	–	(5.8)

8. Trade and Other Receivables

	2021 £m	2020 £m
Amounts owed by other Group companies	**618.1**	592.5
Prepayments	**3.4**	5.0
Other receivables	**0.2**	–
	621.7	597.5

9. Trade and Other Payables

	2021 £m	2020 £m
Amounts owed to other Group companies	**229.7**	197.8
Accruals	**0.8**	0.9
Other payables	**2.6**	2.8
	233.1	201.5

10. Financial Instruments

Details relating to financial instruments are set out in Note 16 of the consolidated financial statements. Information specific to the Company is set out below.

Net borrowings

	2021 £m	2020 £m
Interest-bearing loans and borrowings	**336.5**	367.8
Derivative financial instruments	**(0.2)**	3.0
Total borrowings	**336.3**	370.8
Less: cash at bank, cash in hand and short-term deposits	**(5.8)**	(15.8)
	330.5	355.0

Interest-bearing loans and borrowings

	Maturity	2021 £m	2020 £m
Bank overdrafts	On demand	**59.6**	60.2
Amortising term loan in US dollars	January 2025	**168.9**	175.8
Non-amortising bank loans in British pounds	January 2025	**102.0**	125.0
Lease liabilities	Various	**4.4**	5.4
Preference shares	Non-redeemable	**1.4**	1.4
		336.3	367.8
Current value		**59.6**	67.5
Non-current value		**276.7**	300.3
		336.3	367.8

Non-cash movements

Non-cash movements during the year comprise £4.0m adverse fair value movement on derivatives and £0.5m favourable currency translation on bank debt (2020: £3.9m adverse fair value adjustment in bank debt, £3.3m adverse fair value adjustment on derivatives and £5.5m favourable currency translation on bank debt).

Trade and other receivables and payables

Trade and other receivables and trade and other payables carrying values of £618.3m and £233.1m (2020: £592.5m and £201.5m) approximate their fair values.

10. Financial Instruments continued

Credit risk

Exposure to credit risk relates to bank deposits of £5.8m (2020: £15.8m).

For banks and financial institutions, the Company's policy is to seek to transact with independently rated parties with a minimum 'A' rating. If there is no independent rating, the Company assesses the credit quality of the counterparty taking into account its financial position, past experience and other factors. As the Company utilises a number of different banks the concentration risk is deemed minimal but is continually kept under review.

In addition to the relevant items above the Company is exposed to credit risk in relation to on demand amounts owed by other Group companies. The amounts owed to and due by the Company from dealings with subsidiary companies are disclosed in Notes 8 and 9. Transactions between the Company and other Group companies primarily related to financing activities.

11. Provisions

The Company carries an insurance provision of £4.5m (all current). In the prior year, this provision was £3.1m (all current).

The Company also carries an onerous lease provision of £1.0m (£0.3m current and £0.7m non-current). In the prior year this provision was £2.4m (£0.3m current and £2.1m non-current).

12. Cash Generated from Operations

	2021 £m	2020 £m
Loss before tax	**1.6**	(12.5)
Net interest charge	**(0.9)**	4.0
Depreciation	**0.2**	0.6
Share-based payments expense	**1.0**	0.7
Pension contributions in cash	**(8.1)**	(3.7)
Increase in working capital	**1.1**	(8.0)
	(5.1)	(18.9)

13. Retirement Benefit Obligation

Details of the Company's defined benefit pension scheme in the UK are set out in Note 21 of the consolidated financial statements. A surplus of £1.8m is recognised at the balance sheet date (2020: £6.7m deficit).

14. Share Capital

Details of Company share capital, including issuance of new shares in the year, are set out in Note 22 of the consolidated financial statements. Details of share-based payments are set out in Note 22 of the consolidated financial statements.

During the year the Company realised £10.6m of its merger relief reserve. The reserve arose in 2016 on the equity that was raised linked to the subsequent acquisition of the global ASIG fuel services business. Due to the structure of the equity raised, a non-distributable reserve was created representing the funds raised above the par value of shares issued and loaned to the Company's subsidiaries in order to acquire the two companies that held the business, ASIG Holdings Corp. and ASIG Holdings Limited. During 2021, the acquiring entity, Menzies Aviation plc, received £10.6m of cash from its investees which placed it in the position to repay a portion of the loan outlined above. To the extent that the loan balance is in a position to be settled and therefore constitutes a realised gain, £10.6m of the merger relief reserve has been transferred to retained earnings.

FIVE YEAR SUMMARY

	2021 $m	2020 $m	2019 $m	2018 $m	2017 $m
Revenue					
Americas	**461.1**	375.5	593.9	619.0	597.0
EMEA	**440.7**	347.8	706.7	690.4	659.0
Rest of World	**155.1**	118.5	206.3	210.3	210.9
Cargo Forwarding	**295.6**	222.0	188.7	203.3	184.7
	1,352.5	1,063.8	1,695.6	1,723.1	1,651.6
Underlying operating profit/(loss)	**75.8**	(23.9)	67.2	73.5	68.9
Exceptional and other items	**(16.7)**	(99.1)	(14.5)	(26.4)	(38.5)
Share of joint ventures and associates interest and tax	**(0.4)**	(1.2)	(2.0)	(1.7)	(1.3)
Profit/(loss) before interest	**58.7**	(124.2)	50.7	45.4	29.0
Net finance costs	**(29.0)**	(31.4)	(28.5)	(16.6)	(16.2)
Profit/(loss) before taxation	**29.7**	(155.5)	22.1	28.8	12.8
Per ordinary share					
Dividends paid	**–**	–	26.2¢	27.4¢	24.8¢
Underlying earnings/(loss)	**34.0¢**	(79.8)¢	31.8¢	50.2¢	43.7¢
Basic earnings/(loss)	**17.1¢**	(195.3)¢	13.8¢	19.5¢	0.2¢

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE UNDERTAKINGS
AT 31 DECEMBER 2021

Interests in all of the companies listed below are in ordinary share capital of these undertakings, except where otherwise stated.

Subsidiary, joint venture and associate undertakings	Country of incorporation	Registered address	Direct or indirect holding (100% unless otherwise stated)
Administracion de Servicios en Tierra, S.A. de C.V.	Mexico	Plaza Alamos Local 2, SM 311, MZ 26 Lote 03-01 Boulevard Luis Donaldo Colosio C.P. 77560, Cancun, Quintana Roo	Indirect
Aeroground, Inc.	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
Air Marketing Services Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Air Menzies International (Aust) Pty Ltd	Australia	Unit 12, Discovery Cove, 1801 Botany Road, Banksmeadow NSW 2019	Indirect
Air Menzies International (Cape) Proprietary Ltd	South Africa	New Agents Road, Unit 6, Air Cargo Centre, Cape Town International Airport, Cape Town	Indirect (65%)
Air Menzies International (India) Private Ltd	India	Cargo Terminal 1, Kempegowda International Airport, Bangalore 560300	Indirect
Air Menzies International Germany GmbH	Germany	Carl-Theodor-Strasse 6, 40213 Dusseldorf	Indirect
Air Menzies International (Netherlands) B.V.	Netherlands	Anchoragelaan 50, 1118 LE Schiphol	Indirect
Air Menzies International (NZ) Ltd	New Zealand	c/o Buddle Findlay, Level 18, PwC Tower, 188 Quay Street, Auckland 1140	Indirect
Air Menzies International Pakistan (Private) Limited	Pakistan	Room No. 3186-3189, Level – III, Allama Iqbal, International Airport, Lahore, Punjab	Indirect (51%)
Air Menzies International (USA), Inc.	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
Air Menzies International Cargo (Canada) Ltd	Canada	2800 Park Place, 666 Burrard Street, Vancouver V6C 2Z7	Indirect
Air Menzies International Holding (NZ) Ltd	New Zealand	c/o Buddle Findlay, Level 18, PwC Tower, 188 Quay Street, Auckland 1140	Indirect
Air Menzies International Ltd	United Kingdom	5 The Enterprise Centre, Kelvin Lane, Crawley RH10 9PT	Indirect
Air Menzies International SA Proprietary Ltd	South Africa	Unit 3 Aviation Park, 17 Pomona Road, Kempton Park, Johannesburg	Indirect (65%)

Subsidiary, joint venture and associate undertakings	Country of incorporation	Registered address	Direct or indirect holding (100% unless otherwise stated)
Airbase Flight Support Ltd	Isle of Man	66 Athol Street, Douglas IM1 1JE	Indirect
Airbase Flight Support Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Aircraft Service International Group Holdings (Thailand) Ltd	Thailand	7th-9th & 16th Floor, Bubhajit Building, 20 North Sathorn Road, Silom, Bangrak, Bangkok 10500	Indirect (49.6%)
Aircraft Service International Group, Inc.	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
Aircraft Service International, Inc.	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
AMI Asia HK Ltd	China	Room 1403, Causeway Commercial Building, 3 Sugar Street, Causeway Bay, Hong Kong	Indirect
AMI Ocean Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Direct
ASIG (Thailand) Co. Ltd	Thailand	7th-9th & 16th Floor, Bubhajit Building, 20 North Sathorn Road, Silom, Bangrak, Bangkok 10500	Indirect (51%)
ASIG (U.K.) Limited	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
ASIG Holdings (Barbados) Ltd	Barbados	Suite 1, Ground Floor, The Financial Services Centre, Bishop's Court Hill, St. Michael	Indirect
ASIG Holdings Corp.	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
ASIG Holdings Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
ASIG Lounge, Inc.	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
ASIG Manchester Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE UNDERTAKINGS (CONTINUED)

Subsidiary, joint venture and associate undertakings	Country of incorporation	Registered address	Direct or indirect holding (100% unless otherwise stated)
ASIG Tanking (Thailand) Ltd	Thailand	7th-9th & 16th Floor, Bubhajit Building, 20 North Sathorn Road, Silom, Bangrak, Bangkok 10500	Indirect (40%)
Australian Air Support Pty Ltd	Australia	c/o Norton Rose Fulbright, Level 21, 111 Eagle Street, Brisbane QLD 4000	Indirect
Aviation Consultancy Services Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Aviation Service (Iraq) Limited	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect (40%)
Aviation Service Leader (Chile) S.A.	Chile	Est. Arturo Alessandri, Amunategui 277, 3F, Santiago	Indirect
Boker Aeroclean Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Cargo 2000 Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Cargosave Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Direct
Coronet Aviation Services Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Cranford Forwarders Bond Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect (50%)
Czech GH s.r.o.	Czech Republic	K Letisti 1049/57, 161 00 Prague 6	Indirect
DNDS Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Elmdon Cargo Handling Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect

Subsidiary, joint venture and associate undertakings	Country of incorporation	Registered address	Direct or indirect holding (100% unless otherwise stated)
Express Handling (Scotland) Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
FMD Ltd	United Kingdom	Two Snowhill, Snow Hill, Birmingham B4 6GA	Indirect (50%)
Gold Cost Air Terminal Services Pty	Australia	c/o Norton Rose Fulbright, Level 21, 111 Eagle Street, Brisbane QLD 4000	Indirect
Hamilton Aero Avionics Ltd	New Zealand	Boyd & Ingram Roads, Hamilton Airport, P.O. Box 11078, Hillcrest, Hamilton 3251	Indirect
Hamilton Aero Maintenance Ltd	New Zealand	Boyd & Ingram Roads, Hamilton Airport, P.O. Box 11078, Hillcrest, Hamilton 3251	Indirect
Heathrow Aviation Services Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
HO/Menzies Investimentos & Transportes Investments Limitada	China	Avenida da Praia Grande 665, Edificio Great Will, Macau	Indirect
Interexpresso El Salvador, S.A. De C.V.	El Salvador	83 Av. Sur, No. 403, Second floor, Colonia Escalón	Indirect (51%)
JM Nominees Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Direct
JM Secretaries Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Direct
John Menzies (108) Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Direct
John Menzies (Birmingham) Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Direct
John Menzies (Edinburgh) Ltd	United Kingdom	2 Lochside Avenue, Edinburgh Park, Edinburgh EH12 9DJ	Direct
John Menzies (GB) Ltd	United Kingdom	2 Lochside Avenue, Edinburgh Park, Edinburgh EH12 9DJ	Direct

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE UNDERTAKINGS (CONTINUED)

Subsidiary, joint venture and associate undertakings	Country of incorporation	Registered address	Direct or indirect holding (100% unless otherwise stated)
John Menzies Corporate Services Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Direct
John Menzies Distribution Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Direct
John Menzies Finance Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Direct
John Menzies Holding GmbH	Germany	Rechtsanwaelte Hoelters & Elsing, Immermannstrasse 40, 40210 Dusseldorf	Indirect
John Menzies International Ltd	United Kingdom	2 Lochside Avenue, Edinburgh Park, Edinburgh EH12 9DJ	Indirect
John Menzies Property 1 Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Direct
John Menzies Property 2 Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Direct
John Menzies Property 3 Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Direct
John Menzies USA Holdings, Inc.	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
John Menzies USA, Inc.	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Direct
London Cargo Group Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
London Cargo Handling Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
London Cargo Imports Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect

Subsidiary, joint venture and associate undertakings	Country of incorporation	Registered address	Direct or indirect holding (100% unless otherwise stated)
Lonsdale Universal Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Lonsdale Universal Trustees Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Direct
Luton Ramp Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Luton Services Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
MA Secretaries Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
MAG Nominees Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Mancargo Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Manchester Cargo Centre Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Manchester Handling Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
MCS Trustee Ltd	United Kingdom	2 Lochside Avenue, Edinburgh Park, Edinburgh EH12 9DJ	Direct
Menzies Aviation – Portugal – Servicos De Carga, Unipessoal, Lda	Portugal	Avenida Antonio Augusto de Aguiar, No. 183, R/C Dto., 1050-014 Lisbon	Indirect
Menzies Aviation (Africa) Pty Ltd	South Africa	Unit F4, CTX Business Park, Cape Town International Airport, Cape Town	Indirect

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE UNDERTAKINGS (CONTINUED)

Subsidiary, joint venture and associate undertakings	Country of incorporation	Registered address	Direct or indirect holding (100% unless otherwise stated)
Menzies Aviation (Asia Pacific) Ltd	British Virgin Islands	Newhaven Corporate Services (BVI) Limited, 3rd Floor, Omar Hodge Building, Wickhams Cay I, PO Box 362, Road Town, Tortola	Indirect
Menzies Aviation (ASIG Ground Handling) Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Aviation (ASIG) Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Aviation (AST Costa Rica)	Costa Rica	San José, Sabana Norte, 75 meters north from the German embassy Borrase building second floor	Indirect (51%)
Menzies Aviation (Australia) Pty Ltd	Australia	c/o Norton Rose Fulbright, Level 21, 111 Eagle Street, Brisbane QLD 4000	Indirect
Menzies Aviation (Aviation) B.V.	Netherlands	Anchoragelaan 50, 1118 LE Schiphol	Indirect
Menzies Aviation (Bangladesh) Limited	Bangladesh	5th Floor, House-153, Road-11, Block-E Banani, Dhaka 1213, Bangladesh	Indirect (49%)
Menzies Aviation (Brasil) Ltd	Brazil	Avenida Nove de Julho no. 4865, 5 Andar, Conjunto 51, Sala A, Sao Paulo	Indirect
Menzies Aviation (Canada) Ltd	Canada	10 Carlson Court, Suite 300, Toronto, Ontario M9W 6A2	Indirect
Menzies Aviation (Cargo) B.V.	Netherlands	Anchoragelaan 50, 1118 LE Schiphol	Indirect
Menzies Aviation (Chengdu) Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Aviation (Costa Rica)	Costa Rica	San José, Sabana Norte, 75 meters north from the German embassy Borrase building second floor	Indirect (55%)
Menzies Aviation (Czech) s.r.o.	Czech Republic	K Letisti 1049/57, 161 00 Prague 6	Indirect
Menzies Aviation (DEL), Inc.	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
Menzies Aviation (Denmark) A/S	Denmark	Copenhagen Airport, Terminal 2, Lufthavnsboulevarden 6, 2770 Kastrup	Indirect

Subsidiary, joint venture and associate undertakings	Country of incorporation	Registered address	Direct or indirect holding (100% unless otherwise stated)
Menzies Aviation (Dominicana) Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Aviation (EMEA) Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Aviation (Europe) B.V.	Netherlands	Anchoragelaan 50, 1118 LE Schiphol	Indirect
Menzies Aviation (FR9) B.V.	Netherlands	Anchoragelaan 50, 1118 LE Schiphol	Indirect
Menzies Aviation (France) SAS	France	Aeroport Toulouse Blagnac, Hall C, 31700 Blagnac	Indirect
Menzies Aviation (Freighter Handling) B.V.	Netherlands	Anchoragelaan 50, 1118 LE Schiphol	Indirect
Menzies Aviation (Fuelling) France	France	Aeroport Toulouse Blagnac, Hall C, 31700 Blagnac	Indirect
Menzies Aviation (Fuelling) Spain	Spain	Calle Nunez Morgado 6-Bj Dc, 28036 Madrid	Indirect
Menzies Aviation (Guatemala), Sociedad Anónima	Guatemala	13 calle 2-60 Zona 10, Edificio Topacio Azul, Nivel 10, oficina 1003, Guatemala City	Indirect (51%)
Menzies Aviation (Ground Services) Australia Pty Ltd	Australia	c/o Norton Rose Fulbright, Level 21, 111 Eagle Street, Brisbane QLD 4000	Indirect
Menzies Aviation (Handling) Proprietary Ltd	South Africa	Unit F4, CTX Business Park, Cape Town International Airport, Cape Town	Indirect (62%)
Menzies Aviation (Hungary) Kft.	Hungary	Liszt Ferenc Nemzetkozi Repuloter, Repules Oktatasi Kozpont, 17, sz H-1185 Budapest	Indirect
Menzies Aviation (Iberica) S.A.	Spain	Calle Nunez Morgado 6-Bj Dc, 28036 Madrid	Indirect
Menzies Aviation (India) Private Ltd	India	Plot No-C-04L, Cargo Terminal-1, Kempegowda International Airport, Devanahalli, Bangalore 560300	Indirect
Menzies Aviation (Ireland) Limited	Republic of Ireland	First Floor, Riverside Two, 43/49 Sir John Rogerson's Quay, Dublin 2	Indirect
Menzies Aviation (Italy) srl	Italy	Via Carducci 11, 20123, Milan	Indirect
Menzies Aviation (LCC) B.V.	Netherlands	Anchoragelaan 50, 1118 LE Schiphol	Indirect
Menzies Aviation (Lounge) B.V.	Netherlands	Anchoragelaan 50, 1118 LE Schiphol	Indirect

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE UNDERTAKINGS (CONTINUED)

Subsidiary, joint venture and associate undertakings	Country of incorporation	Registered address	Direct or indirect holding (100% unless otherwise stated)
Menzies Aviation (Luton) Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Aviation (Mexico) S.A. de C.V.	Mexico	Plaza Alamos Local 2, SM 311, MZ 26 Lote 03-01 Boulevard Luis Donaldo Colosio C.P. 77560, Cancun, Quintana Roo	Indirect
Menzies Aviation (Namibia) Proprietary Ltd	Namibia	Bougain Villas, 78 Sam Nujoma Drive, Windhoek	Indirect (49%)
Menzies Aviation Ground Services (Namibia) (Pty) Ltd	Namibia	Bougain Villas, 78 Sam Nujoma Drive, Windhoek	Indirect
Menzies Aviation (New Zealand) Ltd	New Zealand	George Bolt Memorial Drive, Auckland Airport, Auckland 2022	Indirect
Menzies Aviation (NL) Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Aviation (Oslo) AS	Norway	Sigrid Undsets plass, Terminalen, 2060 Gardermoen, 0235 Ullensaker	Indirect
Menzies Aviation (Poland) Sp. z.o.o.	Poland	ul. Sienna 72/3, 00-833 Warsaw	Indirect
Menzies Aviation (Romania) S.A.	Romania	Henri-Coanda International Airport, Calea Bucurestilor no 224E, Otopeni City, Ilfov	Indirect
Menzies Aviation (Santo Domingo) Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Aviation (Schiphol) B.V.	Netherlands	Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam	Indirect
Menzies Aviation (South Africa) (Cargo) Proprietary Ltd	South Africa	Unit F4, CTX Business Park, Cape Town International Airport, Cape Town	Indirect (65%)
Menzies Aviation (South Africa) (Pty) Ltd	South Africa	Unit F4, CTX Business Park, Cape Town International, Airport, Cape Town	Indirect (65%)
Menzies Aviation (Stockholm) AB	Sweden	Box 197, SE 190-45, Stockholm, Arlanda	Indirect
Menzies Aviation (Support Services) B.V.	Netherlands	Anchoragelaan 50, 1118 LE Schiphol	Indirect
Menzies Aviation (Support) B.V.	Netherlands	Anchoragelaan 50, 1118 LE Schiphol	Indirect
Menzies Aviation (Sverige) AB	Sweden	Box 197, SE 190-45, Stockholm, Arlanda	Indirect

Subsidiary, joint venture and associate undertakings	Country of incorporation	Registered address	Direct or indirect holding (100% unless otherwise stated)
Menzies Aviation (Sweden) AB	Sweden	Box 51, 230 32 Malmo, Sturup	Indirect
Menzies Aviation (Texas), Inc.	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
Menzies Aviation (UK) Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Aviation (USA), Inc.	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
Menzies Aviation (Venezuela) S.A.	Venezuela	Aeropuerto Internacional Simon Bolivar, Nivel 1, Sector 1, Maiquetia	Indirect
Menzies Aviation (Washington), Inc.	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
Menzies Aviation (Windhoek Lounge) (Pty) Ltd	Namibia	Bougain Villas, 78 Sam Nujoma Drive, Windhoek	Indirect
Menzies Aviation Bermuda Ltd	Bermuda	Thistle House, 4 Burnaby Street, Hamilton HM 11	Indirect
Menzies Aviation Bobba (Bangalore) Private Ltd	India	Plot No-C-04L, Cargo Terminal-1, Kempegowda International Airport, Devanahalli, Bengaluru 560300	Indirect (49%); 100% of preference shares
Menzies Aviation Cairns Pty Ltd	Australia	c/o Norton Rose Fulbright, Level 21, 111 Eagle Street, Brisbane QLD 4000	Indirect (50%)
Menzies Aviation Cargo (Bangalore) Ltd	Mauritius	5th Floor, Ebene Esplanade, 24 Cybercity, Ebene	Indirect
Menzies Aviation Cargo (Hungary) Kft.	Hungary	H-2220 Vecses, Lorinci str. 59, C Building, Budapest	Indirect
Menzies Aviation Cargo (Hyderabad) Ltd	Mauritius	5th Floor, Ebene Esplanade, 24 Cybercity, Ebene	Indirect
Menzies Aviation Colombia Holdings S.A.S.	Colombia	Carrera 7, No 71 – 21 Torre A, Oficina 602, Bogota	Indirect
Menzies Aviation Colombia S.A.S.	Colombia	Carrera 7, No 71 – 21 Torre A, Oficina 602, Bogota	Indirect
Menzies Aviation Contracts (NL) B.V.	Netherlands	Anchoragelaan 50, 1118 LE Schiphol	Indirect
Menzies Aviation Corporate Services Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Aviation Cyprus Limited	Cyprus	Karaiskaki, 13, 3032 Limassol	Indirect

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE UNDERTAKINGS (CONTINUED)

Subsidiary, joint venture and associate undertakings	Country of incorporation	Registered address	Direct or indirect holding (100% unless otherwise stated)
Menzies Aviation Denmark Lounges A/S	Denmark	Menzies Aviation, Copenhagen Airport, Petersdalvej 13, 1st, 2770 Kastrup	Indirect
Menzies Aviation Deutschland Verwaltungs GmbH	Germany	Carl-Theodor-Strasse 6, 40213 Dusseldorf	Indirect (75%)
Menzies Aviation Finance (USA) LLC	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
Menzies Aviation Fuelling (Canada) Ltd	Canada	6500 Silver Dart Drive, Suite 257, Mississauga, Ontario L5P 1B2	Indirect
Menzies Aviation Greece S.A.	Greece	280 Kifissias Avenue, Chalandri of Attica	Indirect (75%)
Menzies Aviation Group (Philippines) B.V.	Netherlands	Anchoragelaan 50, 1118 LE Schiphol	Indirect
Menzies Aviation Ground Services GmbH	Germany	Carl-Theodor-Strasse 6, 40213 Dusseldorf	Indirect
Menzies Aviation Handling Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Aviation Holdings (Asia Pacific) Ltd	British Virgin Islands	Newhaven Corporate Services (BVI) Limited, 3rd Floor, Omar Hodge Building, Wickhams Cay I, PO Box 362, Road Town, Tortola	Indirect
Menzies Aviation Holdings (Australia) Pty Ltd	Australia	c/o Norton Rose Fulbright, Level 21, 111 Eagle Street, Brisbane QLD 4000	Indirect
Menzies Aviation Holdings (Brasil) Ltda	Brazil	Avenida Nove de Julho no. 4865, 5 Andar, Conjunto 51, Sala A, Sao Paulo	Indirect
Menzies Aviation Holdings (Venezuela) S.A.	Venezuela	Aeropuerto Internacional Simon Bolivar, Nivel 1, Sector 1, Maiquetia	Indirect
Menzies Aviation Holdings Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Aviation Hyderabad (Passenger) Ltd	Mauritius	5th Floor, Ebene Esplanade, 24 Cybercity, Ebene	Indirect
Menzies Aviation International Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect

Subsidiary, joint venture and associate undertakings	Country of incorporation	Registered address	Direct or indirect holding (100% unless otherwise stated)
Menzies Aviation Leasing (Mexico) S.A. de C.V.	Mexico	Plaza Alamos Local 2, SM 311, MZ 26 Lote 03-01 Boulevard Luis Donaldo Colosio C.P. 77560, Cancun, Quintana Roo	Indirect
Menzies Aviation Pakistan (Private) Ltd	Pakistan	Office No. 311, 3rd Floor, The Forum, Khayaban-e-Jami, Clifton, Block 9, Karachi	Indirect (60%)
Menzies Aviation plc	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Aviation Puerto Plata S.A.	Dominican Republic	7 and 8 of General Gregorio Luperón, International Airport, Sosua, Puerto Plata	Indirect
Menzies Aviation Services (Asia Pacific) LLC	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
Menzies Aviation Services Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Aviation Services SL	Spain	Calle Nunez Morgado 6-Bj Dc, 28036 Madrid	Indirect
Menzies Aviation Services Venezuela S.A.	Venezuela	Aeropuerto Internacional Simon Bolivar, Nivel 1, Sector 1, Maiquetia	Indirect
Menzies Aviation Spain SL	Spain	Calle Nunez Morgado 6-Bj Dc, 28036 Madrid	Indirect
Menzies Aviation St. Maarten B.V.	Sint Maarten	P.O. Box 2003, Princess Juliana Airport	Indirect
Menzies Aviation Washing Denmark A/S	Denmark	Menzies Aviation, Copenhagen Airport, Petersdalvej 13, 1st, 2770 Kastrup	Indirect
Menzies Aviation Technical Solutions DMCC	Unites Arab Emirates	Unites Arab Emirates	Indirect
Menzies Aviation Washing Oslo AS	Norway	Sigrid Undsets plass, Terminalen, 2060 Gardermoen, 0235 Ullensaker	Indirect
Menzies Aviation, Inc.	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
Menzies Bobba Ground Handling Services Private Ltd	India	H.No.6-3-345/1/2, Flat No. 102, Apurupa Classic, Road No. 1, Banjara Hills, Hyderabad 500034	Indirect (51%)
Menzies Cargo Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE UNDERTAKINGS (CONTINUED)

Subsidiary, joint venture and associate undertakings	Country of incorporation	Registered address	Direct or indirect holding (100% unless otherwise stated)
Menzies Cargo Services Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Client Solutions (USA), Inc.	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
Menzies Client Solutions Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Express Baggage Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Group Holdings Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Direct
Zhuhai Menzies Aviation Investment Holding Co., Ltd	China	Room 105-74236, No.6 Baohua Road, Hengqin New District, Zhuhai City	Indirect
Guangzhou Jfreight Aviation Logistics Supply Chain Co., Ltd	China	No. 210, Building A1, No.9 Airport Avenue, Jiuyi Village, Huadu District, Guangzhou Baiyun International Airport	Indirect (9.99%)
Menzies Macau Airport Services Ltd	China	Avenido de Aeroporto, Edificio Airport Logistic Business Centre, 1 andar, sala 52, Taipa, Macau	Indirect (29%)
Menzies-Ras (Private) Limited	Pakistan	Room No. 3186-3189, Level – III, Allama Iqbal, International Airport, Lahore, Punjab	Indirect (49%)
Menzies Security Services B.V.	Netherlands	Anchoragelaan 50, 1118 LE Schiphol	Indirect
Menzies Services Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Direct
Menzies Services, Inc.	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
Menzies Wholesale Ltd	United Kingdom	2 Lochside Avenue, Edinburgh Park, Edinburgh EH12 9DJ	Direct
Menzies World Cargo (Amsterdam) B.V.	Netherlands	Anchoragelaan 50, 1118 LE Schiphol	Indirect
Menzies World Cargo (Rotterdam) B.V.	Netherlands	Brandenburghbaan 2b, 3045 AK Rotterdam	Indirect

Subsidiary, joint venture and associate undertakings	Country of incorporation	Registered address	Direct or indirect holding (100% unless otherwise stated)
Menzies World Cargo Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Menzies Worldwide Distribution Ltd	United Kingdom	2 Lochside Avenue, Edinburgh Park, Edinburgh EH12 9DJ	Direct
Moose Aviation Services AB	Sweden	Box 2, 190 45 Stockholm, Arlanda	Indirect
MPF Trustee Ltd	United Kingdom	2 Lochside Avenue, Edinburgh Park, Edinburgh EH12 9DJ	Direct
Ogden Aviation Services (Chile) Ltda	Chile	Est. Arturo Alessandri, Amunategui 277, 3F, Santiago	Indirect
Ogden Cargo Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Perth Cargo Centre Pty Ltd	Australia	c/o Norton Rose Fulbright, Level 21, 111 Eagle Street, Brisbane QLD 4000	Indirect
PlaneBiz 2015 Ltd	New Zealand	George Bolt Memorial Drive, Auckland Airport, Auckland 2022	Indirect (75%)
Princes Street (Jersey) Ltd	Jersey	47 Esplanade, St. Helier JE1 0BD	Direct
PT. Menzies Aviation Indonesia	Indonesia	Area Cargo Bandara Soekarno Hatta, Kel. Pajang, Kec. Benda, Jakarta Barat, Jakarta	Indirect (51%)
PT. Mitra Adira Utama	Indonesia	Taman Palem Lestari, Ruko Galaxy, Blok O No. 6, Kel. Cengkareng Barat, Kec. Cengkareng, Jakarta Barat, Jakarta	Indirect (51%)
Rose Street Nominees Ltd	United Kingdom	2 Lochside Avenue, Edinburgh Park, Edinburgh EH12 9DJ	Indirect
Simplicity Ground Services, LLC	United States	251 Little Falls Drive, Wilmington, Delaware 19808	Indirect
Skycare Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Skyport Handling Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE UNDERTAKINGS (CONTINUED)

Subsidiary, joint venture and associate undertakings	Country of incorporation	Registered address	Direct or indirect holding (100% unless otherwise stated)
Skyport Handling Services Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Skystar Airport Services NZ Pty Ltd	New Zealand	George Bolt Memorial Drive, Auckland Airport, Auckland 2022	Indirect
Skystar Airport Services Pty Ltd	Australia	c/o Norton Rose Fulbright, Level 21, 111 Eagle Street, Brisbane QLD 4000	Indirect
Smarter Asset Management Ltd	United Kingdom	Basepoint Centre, Isidore Road, Bromsgrove Enterprise Park, Bromsgrove B60 3ET	Indirect (26%)
Southampton Airport Cargo Services Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
The London Cargo Centre Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
The Menzies Group Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Direct
The United Iraqi Company for Airports and Ground Handling Services Limited	Iraq	Baghdad International Airport, Airport Street, Baghdad	Indirect (28%)
Worldwide Magazine Distribution Ltd	United Kingdom	Two Snowhill, Snow Hill, Birmingham B4 6GA	Indirect (50%)
Wyng Group Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Wyng Roadflight Ltd	United Kingdom	MW1 Building, 557 Shoreham Road, London Heathrow Airport, Hounslow TW6 3RT	Indirect
Zaankracht Uitzendbureau Schiphol B.V.	Netherlands	Stationsplein 979, 1117 CE Schiphol	Indirect (30%)

GENERAL INFORMATION

Internet
The Company operates a website which can be found at www.menziesaviation.com. This site is regularly updated to provide you with information about the Company and its operating divisions. In particular, all of the Company's press releases and announcements can be found on this site together with copies of its Annual Reports and Accounts and other shareholder documentation.

Share Register and Shareholder Enquiries
Any enquiry concerning your shareholding should be directed to the Company's Registrar, Computershare Investor Services PLC (Computershare), and should clearly state your name, address and Shareholder Reference Number (SRN). The contact details are as follows:

Telephone: +44 (0) 370 703 6303
Web: www.investorcentre.co.uk
Email: www.investorcentre.co.uk/contactus
Write: The John Menzies plc Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ

Computershare should be notified promptly in writing of any change to a shareholder's address. Computershare's online Investor Centre also enables you to view your shareholding and update your address and payment instructions online. You can register at www.investorcentre.co.uk. In order to register, you will need your SRN which you can find on your share certificate or dividend confirmation.

Share Price
The current price of the Company's ordinary shares of £0.25 each (the Ordinary Shares) can be viewed on the Company's website at www.menziesaviation.com.

Telephone Share Dealing Service
A share dealing service has been arranged with Jarvis Investment Management Limited which provides a simple way of buying or selling shares in the Company. To use this service you should visit www.dialndeal.co.uk or call the following telephone number and quote reference 'John Menzies plc dial and deal':

Telephone: +44 (0) 1892 700849

Commission for this share dealing service will be at a fixed rate of £27.50. Additionally, UK share purchases will be subject to a 0.5% stamp duty charge whilst a levy of £1.00 will be imposed by the Panel on Takeovers and Mergers for single trades in excess of £10,000.

You will be required to pay for any shares purchased by debit card at the time of the transaction. You must therefore ensure you have sufficient cleared funds available in your debit card account to pay for the shares in full.

ShareGift
If you only have a small number of shares which may be uneconomic to sell, you may wish to consider donating them to the charity ShareGift (Registered Charity No. 1052686) which specialises in accepting such shares as donations. There are no implications for UK Capital Gains Tax purposes (no gain or loss) on gifts of shares to charity and it is also possible to obtain income tax relief. If you wish to do this then the details are as follows:

Telephone: +44 (0) 20 7930 3737
Web: www.sharegift.org
Email: help@sharegift.org

Payment of Dividends
It is in the interests of both the Company and its shareholders for dividends to be paid directly into bank or building society accounts. Any shareholder who wishes to receive dividends in this way should contact Computershare to obtain a dividend mandate form.

9% Cumulative Preference Shares
Dividends will be paid on 1 April 2022 and 3 October 2022.

GENERAL INFORMATION (CONTINUED)

Ordinary Shares
In accordance with the Company's Full Year Results 2021 released to the London Stock Exchange on 8 March 2022, the Board believes it prudent and in the best interests of shareholders to continue the temporary suspension of the dividend.

Investor Relations
For any Investor Relations enquiries, please contact the Company by one of the following means:

Telephone: +44 (0) 131 225 8555
Email: investor.relations@menziesaviation.com
Write: John Menzies plc, 2 Lochside Avenue, Edinburgh Park, Edinburgh EH12 9DJ, marked for the attention of John Geddes, Corporate Affairs Director & Group Company Secretary.

Principal Advisers
Auditor
Ernst & Young LLP
3rd Floor, 144 Morrison Street
Edinburgh
EH3 8EB

Joint Corporate Brokers
Peel Hunt
100 Liverpool Street
London
EC2M 2AT

Berenberg
60 Threadneedle Street
London
EC2R 8HP

Principal Business Addresses
John Menzies plc
2 Lochside Avenue
Edinburgh Park
Edinburgh
EH12 9DJ
Telephone: +44 (0) 131 225 8555
Email: info@johnmenziesplc.com

Menzies Aviation
2 Lochside Avenue
Edinburgh Park
Edinburgh
EH12 9DJ
Telephone: +44 (0) 131 467 8070

Corporate Calendar
(Provisional dates)

8 March 2022	Preliminary announcement of Annual Results
1 April 2022	Payment of dividend on Preference Shares
8 April 2022	Annual Report and Accounts
TBC	AGM
6 September 2022	Announcement of Interim Results
3 October 2022	Payment of dividend on Preference Shares

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John Menzies plc

John Menzies plc
Registered office:
2 Lochside Avenue
Edinburgh Park
Edinburgh EH12 9DJ

Tel: +44 (0) 131 225 8555
Fax: +44 (0) 131 220 1491

Email: info@johnmenziesplc.com
Web: www.menziesaviation.com

Registered in Scotland
with company number SC34970