

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
AIRCRAFT CAPITAL LEASING A LIMITED

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AIRCRAFT CAPITAL LEASING A LIMITED

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for the year ended 31 December 2019

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AIRCRAFT CAPITAL LEASING A LIMITED

COMPANY INFORMATION
for the year ended 31 December 2019

DIRECTORS: S W S Norton (resigned on 31 March 2020)
V Cheshire (appointed on 31 March 2020)
J M Lietaert Peerbolte (appointed on 09 April 2019)
J P M Schlatmann (resigned on 09 April 2019)

SECRETARY: Truenoord Services B.V.

REGISTERED OFFICE: 8th Floor
20 Farringdon Street
London
EC4A 4AB

REGISTERED NUMBER: 00398309

INDEPENDENT AUDITORS: Grant Thornton
Chartered Accountants
Statutory Auditors
City Quay
Dublin 2

AIRCRAFT CAPITAL LEASING A LIMITED

STRATEGIC REPORT

for the year ended 31 December 2019

The directors present their strategic report of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

Following the cessation of the provision of scheduled airline services in 2003, the company's principal business activity is the leasing out of aircraft.

REVIEW OF BUSINESS

During the year the company has generated a profit of €793,000 (2018: €499,000) and net cash inflow after financing of €298,000 (2018: €248,000). As the outstanding finance lease creditor, and related interest charges, decline over coming years the company is expected to continue generating profitable trading results.

PRINCIPAL RISKS AND UNCERTAINTIES

The company operates in a difficult market of limited scale leasing activities.

Due to the straight forward nature of the business, the company directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

The company is exposed to the risks associated with identifying suitable lessees for its aircraft, at financially viable rentals, and the associated risk of default by lessees. The company's activities also expose it to the financial risks of changes in foreign currency exchange rates.

Liquidity risk is managed by actively monitoring the liquidity and cash flow position of the business to ensure it has sufficient cash in order to fund its activities.

The company is not exposed to price risk.

FUTURE DEVELOPMENTS

The United Kingdom (UK) government has formally announced that the UK will leave the European Union (EU). At the date of signing these accounts the directors do not foresee any immediate risks crystallising, however, they acknowledge the uncertainty that now exists. The directors will continue to keep this under review.

Subsequent to year end, the company has entered into an agreement to sell the aircraft and related engines to TrueNoord Gouwzee Limited, a 100% controlled subsidiary of TrueNoord Limited. The expected delivery date of the aircraft is in October 2020.

Aircraft Capital Limited, the parent company, has entered into a share buyback agreement to purchase its 6 Ordinary A shares (£1 each) which are currently owned by TrueNoord Investments 0 B.V. The share buyback is expected to take place in October 2020.

On 11 March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. The directors are closely monitoring the evolution of this pandemic, including how it may affect the company, the economy and the general population. The directors have not yet determined the financial impact of these events.

ON BEHALF OF THE BOARD:



.....
V Cheshire - Director

Date: 01/05/2020
.....

AIRCRAFT CAPITAL LEASING A LIMITED

REPORT OF THE DIRECTORS **for the year ended 31 December 2019**

The directors present the Report of the Directors for the company for the year ended 31 December 2019.

DIVIDENDS

The directors do not recommend the payment of a dividend (2018 - nil).

DIRECTORS

The directors during the year under review were:

S W S Norton (resigned on 31 March 2020)
V Cheshire (appointed on 31 March 2020)
J M Lietaert Peerbolte (appointed on 09 April 2019)
J P M Schlattmann (resigned on 09 April 2019)

POLITICAL DONATIONS

The company made no political donations or incurred any political expenditure during the year (2018 - nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reasons for any material departures from these standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

EVENTS SINCE THE END OF THE YEAR

Subsequent to year end, the company has entered into an agreement to sell the aircraft and related engines to TrueNoord Gouwzee Limited, a 100% controlled subsidiary of TrueNoord Limited. The expected delivery date of the aircraft is in October 2020.

Other than that disclosed above, there are no other transactions or events of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company in future years.

AIRCRAFT CAPITAL LEASING A LIMITED

REPORT OF THE DIRECTORS
for the year ended 31 December 2019

AUDITORS

During the year Grant Thornton were reappointed as auditors of the company.

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Grant Thornton will therefore continue in office.

ON BEHALF OF THE BOARD:



.....
V Cheshire - Director

Date: 01/05/2020
.....

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AIRCRAFT CAPITAL LEASING A LIMITED**

Opinion

We have audited the financial statements of Aircraft Capital Leasing A Limited, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the Statement of cash flows for the year ended 31 December 2019, and the related notes to the financial statements including the notes to the statement of cash flows and a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (UK Generally Accepted Accounting Practice).

In our opinion, Aircraft Capital Leasing A Limited's financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice of the financial position of the company as at 31 December 2019 and of its financial performance and cash flows for the year ended; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, namely FRC's Ethical Standard concerning the integrity, objectivity and independence of the auditor. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Directors' Report and Strategic Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their 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.

As part of an audit in accordance with ISAs (UK), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

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

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AIRCRAFT CAPITAL LEASING A LIMITED

The purpose of our audit work and to whom we owe our responsibilities

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.

Michael Shelly (Senior Statutory Auditor)
for and on behalf of Grant Thornton
Chartered Accountants
Statutory Auditors
Dublin 2

Date:

AIRCRAFT CAPITAL LEASING A LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
for the year ended 31 December 2019

	Notes	2019 €'000	2018 €'000
TURNOVER	4	6,860	6,860
Cost of sales		<u>(4,271)</u>	<u>(4,271)</u>
GROSS PROFIT		2,589	2,589
Administrative expenses		<u>(260)</u>	<u>(345)</u>
OPERATING PROFIT	4	2,329	2,244
Interest payable and similar expenses	5	<u>(1,536)</u>	<u>(1,745)</u>
PROFIT BEFORE TAXATION		793	499
Tax on profit	6	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		793	499
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>793</u>	<u>499</u>

All amounts relate to continuing operations.

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 December 2019

	Notes	2019 €'000	2018 €'000
FIXED ASSETS			
Tangible assets	7	29,612	33,883
CURRENT ASSETS			
Debtors	8	1,254	1,349
Cash at bank	9	<u>3,736</u>	<u>3,438</u>
		4,990	4,787
CREDITORS			
Amounts falling due within one year	10	<u>(32,795)</u>	<u>(4,695)</u>
NET CURRENT ASSETS/LIABILITIES		<u>(27,805)</u>	<u>92</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,807	33,975
CREDITORS			
Amounts falling due after more than one year	11	<u>-</u>	<u>(32,961)</u>
NET ASSETS		<u><u>1,807</u></u>	<u><u>1,014</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	984	984
Retained earnings	15	<u>823</u>	<u>30</u>
SHAREHOLDERS' FUNDS		<u><u>1,807</u></u>	<u><u>1,014</u></u>

The financial statements were approved by the Board of Directors on 1 May 2020 and were signed on its behalf by:



 V Cheshire - Director

AIRCRAFT CAPITAL LEASING A LIMITED**STATEMENT OF CHANGES IN EQUITY**
for the year ended 31 December 2019

	Called up share capital €'000	Retained earnings €'000	Total equity €'000
Balance at 1 January 2018	984	(469)	515
Changes in equity			
Total comprehensive income	-	499	499
Balance at 31 December 2018	984	30	1,014
Changes in equity			
Total comprehensive income	-	793	793
Balance at 31 December 2019	984	823	1,807

The notes form part of these financial statements

AIRCRAFT CAPITAL LEASING A LIMITED**STATEMENT OF CASH FLOWS**
for the year ended 31 December 2019

	Notes	2019 €'000	2018 €'000
Cash flows from operating activities			
Cash generated from operations	1	6,677	6,636
Interest paid		(1,536)	(1,745)
Net cash from operating activities		<u>5,141</u>	<u>4,891</u>
Cash flows from financing activities			
Amounts owed by parent undertakings		(11)	(20)
Capital repayments in year		(4,832)	(4,623)
Net cash from financing activities		<u>(4,843)</u>	<u>(4,643)</u>
Increase in cash and cash equivalents		<u>298</u>	<u>248</u>
Cash and cash equivalents at beginning of year	2	<u>3,438</u>	<u>3,190</u>
Cash and cash equivalents at end of year	2	<u>3,736</u>	<u>3,438</u>

Net Debt note:

	At 1 January 2019 €'000	Cash Flows €'000	Other non-cash changes €'000	At 31 December 2019 €'000
Cash and cash equivalents				
Cash	<u>3,438</u>	<u>298</u>	<u>-</u>	<u>3,736</u>
	<u>3,438</u>	<u>298</u>	<u>-</u>	<u>3,736</u>
Borrowings				
Debt due within one year	(4,623)	4,832	(32,238)	(32,029)
Debt due after one year	<u>(32,238)</u>	<u>-</u>	<u>32,238</u>	<u>-</u>
	<u>(36,861)</u>	<u>4,832</u>	<u>-</u>	<u>(32,029)</u>
Total	<u>(33,423)</u>	<u>5,130</u>	<u>-</u>	<u>(28,293)</u>

The notes form part of these financial statements

AIRCRAFT CAPITAL LEASING A LIMITED**NOTES TO THE STATEMENT OF CASH FLOWS**
for the year ended 31 December 2019**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2019	2018
	€'000	€'000
Profit before taxation	793	499
Depreciation charges	4,271	4,271
Exchange on loan balance	22	27
Foreign exchange losses	2	-
Finance costs	<u>1,536</u>	<u>1,745</u>
	6,624	6,542
Decrease in trade and other debtors	105	93
Decrease in trade and other creditors	<u>(52)</u>	<u>1</u>
Cash generated from operations	<u>6,677</u>	<u>6,636</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2019

	31.12.19	1.1.19
	€'000	€'000
Cash and cash equivalents	<u>3,736</u>	<u>3,438</u>

Year ended 31 December 2018

	31.12.18	1.1.18
	€'000	€'000
Cash and cash equivalents	<u>3,438</u>	<u>3,190</u>

The notes form part of these financial statements

1. GENERAL INFORMATION

Aircraft Capital Leasing A Limited ("the company") is a private limited company, limited by shares, incorporated and domiciled in England and Wales. The address of its registered office is 8th Floor, 20 Farringdon Street, London, EC4A 4AB.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost accounting rules. The company's business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic Report and Report of the Directors on pages 2 to 4.

The financial statements have been prepared under FRS 102 and in accordance with applicable law including the Companies Act 2006.

No significant judgements or key assumptions have been made by management in preparing these financial statements other than those outlined in the accounting policies below.

The financial statements have been presented in thousands (€000's).

Going concern

The directors have considered factors that impact the company's future development, performance, cash flows and financial position along with current liquidity, in forming their opinion on the going concern status.

Projections from 31 December 2019, prepared by the directors, for the next three and five years, including sensitivity analysis on key assumptions made, anticipate positive operating cash flows. The directors, therefore have a reasonable expectation that the company has adequate resources to continue its operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover derives from operating leases of aircrafts. Lease income is recognised over the lease term on a straight-line basis. Incentives for the agreement of a new or renewed operating lease are recognised as a reduction of the rental income over the lease term, irrespective of the incentive's nature or form, or the timing of payments.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Aircraft and related engines: 4-10 years.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the statement of financial position date, except as otherwise required by FRS 102.

Foreign currencies

The functional and presentation currency is Euros. Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the statement of financial position date and the gain or losses on translation are included in the statement of comprehensive income.

2. ACCOUNTING POLICIES - continued

Leases and lease income as lessor

Lease rentals receivable are credited to the Statement of comprehensive income on a straight line basis over the period of the lease.

Lease rentals payable are charged to the Statement of comprehensive income on a straight line basis over the period of the lease.

Where fixed assets are financed by leasing agreements which transfer to the company substantially all the benefits and risks of ownership, the assets are treated as if they had been purchased outright and are included in tangible fixed assets. The capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit. Assets held under finance leases are depreciated over the shorter of the lease terms and the estimated useful lives.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash and cash equivalents include monies held in bank current accounts.

Creditors

Short term creditors are measured at the transaction price.

Classification of financial instruments issued by the Company

Financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the company to deliver cash or other financial asset or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payment and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

3. DIRECTORS AND EMPLOYEES

The company had no employees during the year other than the directors (2018 - nil).

No directors received any emoluments from or in respect of the company (2018 - nil).

AIRCRAFT CAPITAL LEASING A LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the year ended 31 December 2019**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2019 €'000	2018 €'000
Depreciation of leased tangible fixed assets	4,271	4,271
Foreign exchange profit	(2)	(8)
Auditors' remuneration		
-Audit of these financial statements	-	5
-Other services relating to taxation	5	12
	<u>5</u>	<u>12</u>

The turnover is attributable to the one principal activity of the company, the leasing out of aircraft. The analysis of the company's turnover for financial year 2019 by geographical area was 100% (2018: 100%) to Europe.

At 31 December 2019 the company had contracted to receive the following minimum cash lease rentals under non-cancellable operating leases:

	Operating leases	
	2019 €'000	2018 €'000
Not later than one year	5,746	6,860
Later than one year and not later than five years	-	18,865
	<u>5,746</u>	<u>25,725</u>

The company has entered into an agreement to sell the leased aircraft (see note 11 and 18) in 2020. Therefore, at 31 December 2019 all remaining operating lease rentals have been disclosed as due within one year.

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 €'000	2018 €'000
Interest on finance lease	<u>1,536</u>	<u>1,745</u>

6. TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the profit for the year multiplied by the standard rate of corporation tax in the UK. The difference is explained below:

	2019 €'000	2018 €'000
Profit before tax	<u>793</u>	<u>499</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	151	95
Effects of:		
Group relief (received) / surrendered not paid for	(7)	(7)
Deferred tax not recognised	<u>(144)</u>	<u>(88)</u>
Total tax charge	<u>-</u>	<u>-</u>

6. TAXATION - continued

Factors that may affect future tax charges

At 31 December 2019, there are accumulated losses available to the company for set off against profits of the same trade which are estimated at €35.90m (2018 - €35.90m). In addition, there is €6.72m (2018 - €7.47m) of depreciation charged in excess of capital allowances claimed. A deferred tax asset of €7.25m (2018 - €7.37m) has not been recognised in full as a deferred tax asset due to the uncertainty of the future profit stream of the company.

The UK corporation tax rate reduced to 19% from April 2017. The UK government announced a further reduction in the main rate of UK corporation tax to 17% from 1 April 2020. Where these reduced tax rates were enacted at the Statement of Financial Position date, they have been reflected in these financial statements as appropriate.

In addition, as part of the Finance Act 2017, the UK government has announced that restrictions on interest deductibility and loss relief will be implemented. Draft legislation has been released setting out the new provisions. This may impact the taxable profits of the company as well as the amount of carried-forward losses which can be utilised each year to offset taxable profits.

7. TANGIBLE FIXED ASSETS

	Aircraft And Related Engines €'000
COST	
At 1 January 2019	
and 31 December 2019	<u>68,766</u>
DEPRECIATION	
At 1 January 2019	34,883
Charge for year	<u>4,271</u>
At 31 December 2019	<u>39,154</u>
NET BOOK VALUE	
At 31 December 2019	<u>29,612</u>
At 31 December 2018	<u>33,883</u>

The company had assets held under a finance lease with a net book value at 31 December 2019 of €29,611,692 (2018 - €33,883,080). The depreciation charge for the year on this asset amounted to €4,271,388 (2018 - €4,271,388).

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 €'000	2018 €'000
Amounts owed by parent undertaking	1,153	1,142
Other debtors	6	5
Prepayments	<u>95</u>	<u>202</u>
	<u>1,254</u>	<u>1,349</u>

The €1,153,095 (2018 - €1,141,684) amount owed by parent undertaking is expected to be recovered via future dividend flows from this entity.

Amounts owed by parent undertaking are unsecured, interest free and repayable on demand.

AIRCRAFT CAPITAL LEASING A LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the year ended 31 December 2019**9. CASH AT BANK**

	2019	2018
	€000	€000
Cash at bank	<u>3,736</u>	<u>3,438</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	€000	€000
Finance leases (see note 12)	32,029	4,623
Amounts owed to related undertakings	746	-
Trade creditors	7	55
Accruals	<u>13</u>	<u>17</u>
	<u>32,795</u>	<u>4,695</u>

Amounts owed to related undertakings are unsecured and interest free. The company has entered into an agreement to sell the leased aircraft (see note 11 and 18) in 2020. Therefore, at 31 December 2019 all finance lease and related payables have been classified as current liabilities.

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	€000	€000
Finance leases (see note 12)	-	32,238
Amounts owed to related undertakings	<u>-</u>	<u>723</u>
	<u>-</u>	<u>32,961</u>

Amount owned to related undertakings are unsecured, interest free and repayable on demand. The company has exercised the purchase option on the finance lease to acquire the aircraft asset in October 2020. The company has subsequently entered into an agreement to sell the aircraft in October 2020 (see note 18). Therefore, at 31 December 2019 all finance lease and related payables have been disclosed as current liabilities.

12. LEASING AGREEMENTS

Minimum lease payments under finance lease obligations fall due as follows:

	Finance leases	
	2019	2018
	€000	€000
Net obligations repayable:		
Within one year (see note 10 and 11)	32,029	4,623
Between one and five years	<u>-</u>	<u>32,238</u>
	<u>32,029</u>	<u>36,861</u>

At 31 December 2019 certain aircrafts are held as security over various group loans and borrowings. Fi Grape Leasing Ltd hold security over certain aircraft in respect of such borrowings within the group.

13. FINANCIAL INSTRUMENTS

The analysis of the carrying amounts of the financial instruments of the company required under section 11 of FRS 102 is as follows:

	2019 €'000	2018 €'000
Cash at bank	3,736	3,438
Financial assets that are measured at amortised cost:		
Amounts owed by parent undertaking	<u>1,153</u>	<u>1,142</u>
	<u>4,889</u>	<u>4,580</u>
Financial liabilities that are measured at amortised cost:		
Trade creditors	7	55
Accruals	13	17
Amounts owed to related undertakings	<u>746</u>	<u>723</u>
	<u>766</u>	<u>795</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2019	2018
Number:	Class:	Nominal value:	€'000	€'000
865,000	Ordinary shares	GBP £ 1	<u>984</u>	<u>984</u>

15. RESERVES

Called up Share Capital

Represents the nominal value of shares that have been issued.

Retained Earnings

Includes all current and prior period retained profit and losses attributable to the company.

16. ULTIMATE PARENT COMPANY

At 31 December 2019, the directors considered the company's ultimate parent undertaking to be TrueNoord Limited.

The immediate parent undertaking and the smallest group in which the results of the company are consolidated is Aircraft Capital Limited.

The financial statements of the company and the group financial statements of the immediate parent undertaking can be obtained from 8th Floor, 20 Farringdon Street, London, EC4A 4AB.

The largest group in which the results of the company are consolidated is TrueNoord Limited. The address of TrueNoord Limited's registered office is: Michelin House, 3rd Floor, 81 Fulham Road, London, SW3 6RD.

17. RELATED PARTY DISCLOSURES

The director, S W S Norton, is also a director of TMF Global Services (UK) Limited, which provided professional, accounting and administration services to the company and charged the company €22,716 (2018 - €25,743) for its services during the year. At 31 December 2019 €0 (2018 - €6,361) was owed to TMF Global Services (UK) Limited.

Subsequent to year end the director, S W S Norton, resigned as a director of Aircraft Capital Leasing A Limited.

The director, J M Lietaert Peerbolte, is also a director of TrueNoord Holdings B.V. TrueNoord Holdings B.V. is the director of TrueNoord Services B.V., which provided management services to the company and charged €90,000 (2018 - €90,000) for its services during the year. At 31 December 2019 €0 (2018 - €22,500) was owed to TrueNoord Services B.V..

During the year the company made sales to KLM Royal Dutch Airlines, a shareholder of the parent company Aircraft Capital Limited, of €6,859,983 (2018 - €6,859,983). At 31 December 2019 €0 (2018 - €0) was owed from KLM Royal Dutch Airlines and €745,954 (USD \$825,000) was held on deposit from KLM Royal Dutch Airlines at the statement of financial position date (2018 - €723,367 (USD \$825,000)).

At 31 December 2019, the company was owed €1,153,095 (2018 - €1,141,684) from its parent undertaking, Aircraft Capital Limited.

18. EVENTS SINCE THE END OF THE YEAR

Subsequent to year end, the company has entered into an agreement to sell the aircraft and related engines to TrueNoord Gouwzee Limited, a 100% controlled subsidiary of TrueNoord Limited. The expected delivery date of the aircraft is in October 2020. As a result the company has cancelled its residual value insurance.

On 11 March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. The directors are closely monitoring the evolution of this pandemic, including how it may affect the company, the economy and the general population. The directors have not yet determined the financial impact of these events.

Other than that disclosed above, there are no other transactions or events of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company in future periods.

19. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 1 May 2020.