

Delta TATL UK Limited

Directors' report and financial statements

for the period from 21 September 2015 to 31 December 2016

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Delta TATL UK Limited

Company information

Directors	D James C Koster
Company secretary	Norose Company Secretarial Services Limited
Registered number	09786792
Registered office	3 More London Riverside London United Kingdom SE1 2AQ
Independent auditor	Ernst & Young LLP 1 More London Place London Bridge London SE1 2AF United Kingdom

Delta TATL UK Limited

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Delta TATL UK Limited

Directors' report for the period ended 31 December 2016

The directors present their report and the audited financial statements of the company for the period from 21 September 2015 to 31 December 2016.

Principal activity

The company's principal activity was the provision of pricing and revenue management services for Delta Air Lines Inc. group companies.

The company was incorporated and commenced trading on 21 September 2015.

Share capital

On incorporation, the company issued 1 ordinary share of £1, at nominal value.

Going concern

The directors believe that the company has sufficient financial resources to meet its trading obligations as and when they fall due and accordingly these financial statements have been prepared on a going concern basis.

Directors

The directors who held office during the period and up to the date of signing the financial statements are given below:

D James (appointed 21 September 2015)
C Koster (appointed 27 July 2017)
N Pieper (appointed 21 September 2015, resigned 25 July 2017)
T Vince (appointed 21 September 2015, resigned 21 September 2015)

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' as amended by Section 1A "Small Entities".

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 applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Delta TATL UK Limited

Directors' report (continued) for the period ended 31 December 2016

Disclosure of information to auditor

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Independent auditor

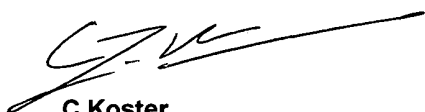
Ernst & Young LLP were appointed as auditor to the company on 19 June 2017 and will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

Small company exemptions

In preparing this report, the directors have taken advantage of the small company exemptions provided by Section 415A of the Companies Act 2006.

The directors have also taken advantage of the small company exemptions provided by Section 414B of the Companies Act 2006 and have not prepared a strategic report.

This report was approved by the board on 14 September 2017 and signed on its behalf by:



**C Koster
Director**

Delta TATL UK Limited

Independent auditor's report to the members of Delta TATL UK Limited

We have audited the financial statements of Delta TATL UK Limited for the period ended 31 December 2016, which comprise the Profit and Loss account, the Balance sheet, the Statement of Changes in Equity and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' as amended by Section 1A "Small Entities".

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' as amended by Section 1A "Smaller Entities"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Delta TATL UK Limited

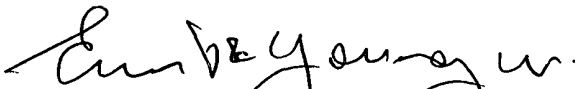
Independent auditor's report to the members of Delta TATL UK Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' report.

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; or
- the directors were not entitled to take advantage of the small companies' exemptions in not preparing the Strategic report and take advantage of the small companies' exemptions in preparing the Directors' report.



Mohan Pandian (Senior Statutory Auditor)
For an on behalf of Ernst & Young LLP (Statutory Auditor)
London
Date: 14 SEP 2017

Delta TATL UK Limited

Profit and loss account for the period ended 31 December 2016

	21 September 2015 to 31 December 2016 \$
Turnover	808,551
Administrative expenses	(755,844)
Profit on ordinary activities before tax	52,707
Tax on profit on ordinary activities	(11,469)
Profit for the financial period	41,238

There were no recognised gains and losses other than those included in the profit and loss account and therefore a statement of comprehensive income is not presented.

The notes on pages 8 to 11 form part of these financial statements.

Delta TATL UK Limited


Registered number: 09786792

Balance sheet as at 31 December 2016

	Note	2016 \$
Current assets		
Debtors	8	78,583
Cash at bank and in hand		380,821
		<u>459,404</u>
Current liabilities		
Creditors: amounts falling due within one year	9	(102,015)
Net current assets		<u>357,389</u>
Net assets		<u><u>357,389</u></u>
Capital and reserves		
Called up share capital		1
Capital contribution reserve		316,150
Retained earnings		41,238
Total equity		<u><u>357,389</u></u>

These financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" as amended by Section 1A "Small Entities".

These financial statements were approved and authorised for issue by the board of directors on 14 September 2017 and were signed on its behalf by:


C Koster
Director

The notes on pages 8 to 11 form part of these financial statements.

Delta TATL UK Limited

Statement of changes in equity for the period ended 31 December 2016

	Called up share capital	Capital contribution reserve	Retained earnings	Total equity
	\$	\$	\$	\$
Profit for the financial period	-	-	41,238	41,238
Shares issued on incorporation	1	-	-	1
Capital contribution	-	316,150	-	316,150
At 31 December 2016	1	316,150	41,238	357,389

Capital contribution reserve

The capital contribution reserve represents investment received from parent undertakings, which is non-repayable and separate from the issuance of share capital.

Retained earnings

Retained earnings refer to the amount of net earnings not paid out as dividends, but retained by the company to be reinvested in its core business.

The notes on pages 8 to 11 form part of these financial statements.

Delta TATL UK Limited

Notes to the financial statements for the period ended 31 December 2016

1. General information

The principal activity of Delta TATL UK Limited ('the company') was the provision of pricing and revenue management services for Delta group companies.

The company is a private company limited by shares and is incorporated and domiciled in England and Wales. The company incorporated on 21 September 2015 with the address of its registered office being 3 More London Riverside, London, United Kingdom, SE1 2AQ.

2. Statement of compliance

The financial statements of Delta TATL UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") as amended by Section 1A "Small Entities" and the Companies Act 2006 applicable to small entities.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The company has adopted FRS 102 as amended by Section 1A "Small Entities" in these financial statements.

3.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 as amended by Section 1A "Small Entities" requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3.2 Foreign currency

(i) Functional and presentational currency

The company's functional and presentation currency is the US Dollar.

(ii) Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account within administrative expenses.

3.3 Turnover

Turnover represents the fair value of consideration receivable for services rendered. Turnover is recognised in the accounting period in which services are rendered.

Delta TATL UK Limited

Notes to the financial statements for the period ended 31 December 2016

3. Summary of significant accounting policies (continued)

3.4 Employee benefits

The company provides benefits to employees, including a defined contribution pension scheme and a shared reward scheme.

(i) The company operates a defined contribution pension scheme for its employees. A defined contribution scheme is a pension scheme under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

(ii) The company also offers a shared reward scheme to non-management staff on a monthly basis. The reward is dependent on 3 key metrics being baggage handling, completion factor and on-time arrivals.

3.5 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in equity. In this case tax is also recognised directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing differences.

Delta TATL UK Limited

Notes to the financial statements for the period ended 31 December 2016

3. Summary of significant accounting policies (continued)

3.6 Financial instruments

(i) Financial assets

The company's financial assets comprise amounts owed by group undertakings and accrued income which is shown in note 8. Management determines the classification of its financial assets at initial recognition.

These financial assets are recognised at transaction price and subsequently measured at amortised cost using the effective interest method.

(ii) Financial liabilities

The company's financial liabilities comprise amount owed to group undertakings which are shown in note 9. Management determines the classification of its financial liabilities at initial recognition.

The company's financial liabilities are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(iii) Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.7 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4. Critical accounting judgements and estimation uncertainty

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

There were no judgements, apart from those involving estimates, that had a significant effect on the amounts recognised in the financial statements.

5. Auditor's remuneration

Fees payable to the auditors in respect of audit services for the period ended 31 December 2016 totalled \$27,103.

6. Employees

The average monthly number of employees, including directors, during the year was 5.

Delta TATL UK Limited

Notes to the financial statements for the period ended 31 December 2016

7. Directors' remuneration

The directors did not receive or waive any remuneration from this company during the period.

The directors are also directors of other group companies and are remunerated by those companies, with no recharge to this company.

8. Debtors

	2016 \$
Amounts owed by group undertakings	33,083
Prepayments and accrued income	45,500
	<u>78,583</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

9. Creditors: Amounts falling due within one year

	2016 \$
Amounts owed to group undertakings	90,546
Corporation tax	11,469
	<u>102,015</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

10. Related party transactions

The company is exempt from disclosing related party transactions with companies which are wholly owned within the Delta Air Lines Inc. group.

During the period, no related party transactions took place outside of this group.

11. Immediate and ultimate parent undertaking and controlling party

The company's immediate and ultimate parent undertaking and controlling party is Delta Air Lines Inc., a company registered in the United States of America.