

AWAS 7014 UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2017

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AWAS 7014 UK LIMITED

COMPANY INFORMATION

Directors

Stephen Norton (appointed 1 January 2017)
Brendan O'Neill (appointed 2 April 2018)
Mark Elgar
Neil Arthur (resigned 31 December 2016)
Jennifer Creevey (resigned 2 April 2018)

Company secretary

TMF Corporate Administration Services Limited

Registered number

9864011

Registered office

5th Floor
6 St Andrew Street
London
United Kingdom
AC4A 3AE

Independent auditors

KPMG
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Bankers

Citibank
336 Strand
London
United Kingdom
WC2R 1HB

AWAS 7014 UK LIMITED

DIRECTORS' REPORT FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2017

The directors present their report and the audited financial statements of AWAS 7014 UK Limited ("the Company") for the 13 month period ended 31 December 2017.

During the period ended 31 December 2017, the Company changed its reporting period date from 30 November to 31 December to align it with the new ultimate shareholder, Dubai Aerospace Enterprise (DAE) Ltd ("DAE"). As a result, the current period ended 31 December 2017 comprises 13 months and comparative amounts presented for the period ended 30 November 2016 comprise 13 month period from the date of incorporation on 9 November 2015 and therefore not entirely comparable.

Principal activities, business review and future developments

On 17 August 2017, the ultimate shareholder of the Company, Carmel Capital was purchased by DAE. As a result, the Company is now a subsidiary of DAE. DAE is privately owned by Investment Corporation of Dubai ("ICD"), ICD Hospitality & Leisure LLC, Dubai Silicon Oasis Authority and Emaar Properties PJSC.

The principal activity of the Company during the period was to lease aircraft from related parties and onward to third parties. Both the level of business during the period and the financial position at the end of the period were as expected. No significant changes in the Company's primary business activity are anticipated.

Principal risks and uncertainties

The following risks and uncertainties affect the Company:

Credit risk

The Company operates as a lessor to an airline. The Company's ability to succeed is partially dependent on the financial strength of its customers and their ability to operate effectively in the market place and manage the competitive environment in which they operate. If a customer experiences financial difficulties this may result in defaults or the early termination of leases. The directors mitigate this risk by putting in place with lessees appropriate guarantee and security arrangements, such as deposits.

Public liability risk

The lessee is responsible for ensuring that the aircraft has adequate insurance cover, and the directors have put appropriate monitoring systems in place to ensure that the lessee remains compliant.

Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

Management and administration functions have been outsourced to a related group Company who manage these risks.

Results and dividends

The profit for the 13 month period, after taxation, amounted to USD22 thousand (2016 - USD7 thousand).

The results for the period are shown in the profit and loss account and other comprehensive income on page 8. The directors do not recommend the payment of a final dividend (2016: nil).

Directors

The directors who served during the 13 month period were:

Stephen Norton (appointed 1 January 2017)
Mark Elgar
Neil Arthur (resigned 31 December 2016)
Jennifer Creevey (resigned 2 April 2018)

**DIRECTORS' REPORT (CONTINUED)
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2017**

Directors' interests

Stephen Norton and Neil Arthur, directors of the Company, are employees of TMF Corporate Administration Services Limited which provides services to the DAE Group.

Brendan O'Neill, Mark Elgar and Jennifer Creevey are employees of the DAE Group. The directors did not have any interest in the shares or options of the Company or any other group company at any time during the period ended 31 December 2017.

Political contributions

The Company did not make any political or charitable donations or incur any political expenditure during the period (2016:nil).

Independent auditors

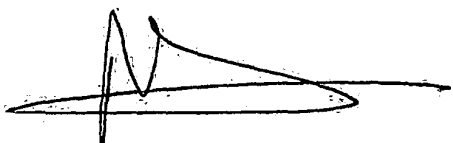
KPMG, Chartered Accountants, were appointed as auditors to the Company during the period and will continue in office in accordance with Section 485(b) of the Companies Act 2006 and will be deemed to be reappointed.

Disclosure of information to auditors

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

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

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



.....
Mark Elgar
Director

Date: 7 August 2018

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2017**

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 they have elected to prepare the financial statements in accordance with FRS 101 Reduced Disclosure Framework.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2006.



KPMG
Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

Independent auditor's report to the members of AWAS 7014 UK Limited

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of AWAS 7014 UK Ltd ('the Company') for the period ended 31 December 2017 set out on pages 8 to 18, which comprise of the profit and loss account and other comprehensive income, the balance sheet, statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework* FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework* FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly 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 (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.



Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the directors report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report on these matters/in regard to these matters.

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities



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

Our 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.

Signature:

**Killian Croke [Senior Statutory Auditor]
for and on behalf of
KPMG Statutory Auditor**

7th August 2018

1 Harbourmaster Place
IFSC
Dublin 1
Ireland

AWAS 7014 UK LIMITED

**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2017**

		13 month period ended 31 December 2017 USD000	13 month period ended 30 November 2016 USD000
	Note		
Turnover		3,673	2,394
Cost of sales		(3,636)	(2,371)
Gross profit		37	23
Administrative expenses		(10)	(14)
Operating profit	3	27	9
Profit before tax		27	9
Tax on profit	5	(5)	(2)
Profit for the financial 13 month period		22	7
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Total comprehensive income for the 13 month period/period		22	7

There were no recognised gains and losses for 2017 or 2016 other than those included in the profit and loss account and other comprehensive income.

The notes on pages 11 to 18 form part of these financial statements.

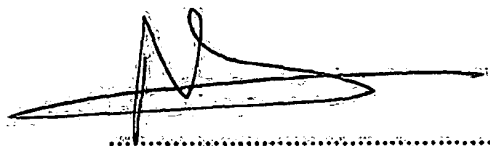
All amounts relate to continuing operations.

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	31 December 2017 USD000	30 November 2016 USD000
Current assets			
Debtors: amounts falling due within one year	6	595	591
Cash at bank and in hand	7	602	287
		<u>1,197</u>	<u>878</u>
Creditors: amounts falling due within one year	8	(462)	(165)
Total assets less current liabilities		735	713
Creditors: amounts falling due after more than one year	9	(706)	(706)
		<u>29</u>	<u>7</u>
Net assets		29	7
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	29	7
Shareholders' funds	11	29	7

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



Mark Elgar
Director

Date: 7 August 2018

The notes on pages 11 to 18 form part of these financial statements.

AWAS 7014 UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2017**

	Called up share capital USD000	Profit and loss account USD000	Total equity USD000
At 1 December 2016	-	7	7
Comprehensive income for the 13 month period			
Profit for the 13 month period	-	22	22
At 31 December 2017		29	29

The notes on pages 11 to 18 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE 13 MONTH PERIOD ENDED 30 NOVEMBER 2016**

	Called up share capital USD000	Profit and loss account USD000	Total equity USD000
On incorporation, 9 November 2015	-	-	-
Profit for the 13 month period	-	7	7
Issue of share capital	-	-	-
At 30 November 2016		7	7

The notes on pages 11 to 18 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2017**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

AWAS 7014 UK Limited (the "Company") is a company incorporated and domiciled in the UK.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The Company's ultimate parent undertaking, DAE includes the Company in its consolidated financial statements. The consolidated financial statements of DAE are prepared in accordance with International Financial Reporting Standards and are filed with the Registrar of Companies, Companies Office, Parnell Square Dublin 1 and may be obtained by writing to the Secretary, Dubai Aerospace Enterprise (DAE) Ltd, Precinct 4, Level 3, Gare Precinct Building, DIFC, PO Box 506592, Dubai, United Arab Emirates.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

As the consolidated financial statements of DAE include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosure:

Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures by IFRS 7 Financial Instrument Disclosures.

1.2 MEASUREMENT CONVENTION

The financial statements are prepared on the historical cost basis.

1.3 GOING CONCERN

The Company has positive financial resources. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

After making enquires, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2017**

1. ACCOUNTING POLICIES (CONTINUED)

1.4 TURNOVER

Turnover comprises lease rental revenue recognised by the Company in respect of the lease of aircraft to third parties during the year. Lease rentals are recognised on a straight line basis over the lease term.

1.5 COST OF SALES

Lease rental expense is recognised on a straight line basis over the lease term.

1.6 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.7 OPERATING LEASES: THE COMPANY AS LESSOR

Rentals income from operating leases is credited to the Profit and loss account and other comprehensive income on a straight line basis over the term of the relevant lease.

1.8 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is USD Dollars.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account and other comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account and other comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account and other comprehensive income within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2017**

1. ACCOUNTING POLICIES (CONTINUED)

1.9 TAXATION

Tax is recognised in the Profit and loss account and other comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.10 INTEREST

Interest receivable and payable are recognised as they are earned or incurred.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2017**

3. OPERATING PROFIT

The operating profit is stated after crediting/(charging):

	13 month period ended 31 December 2017 USD000	13 month period ended 30 November 2016 USD000
Operating lease rental receivables	3,673	2,394
Rental payable under operating lease	(3,636)	(2,371)
Administrative expenses	(10)	(14)
Total	27	9

Auditor's remuneration for the current period was USD 2 thousand (2016: USD 2 thousand) which was borne by a related party.

The Company's revenue for the period was generated from leasing of commercial aircraft to an operator based in Europe.

At 31 December 2017 the Company had contracted to receive the following minimum cash lease rentals under non-cancellable operating leases.

	13 month period ended 31 December 2017 USD000	13 month period ended 30 November 2016 USD000
Not later than one year	3,390	3,390
Later than one year not later than five years	13,561	13,561
Later than five years	3,955	7,628
Total	20,906	24,579

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2017**

4. STAFF COSTS (INCLUDING DIRECTORS' REMUNERATION)

Staff costs, including directors' remuneration, were as follows:

	13 month period ended 31 December 2017 USD000	13 month period ended 30 November 2016 USD000
Directors' emoluments	(8)	(11)
	<u>(8)</u>	<u>(11)</u>

The average monthly number of employees, including the directors, during the 13 month period was as follows:

13 month period ended 31 December 2017 No.	13 month period ended 30 November 2016 No.
<u>0</u>	<u>0</u>

Administrative services are provided by a related party.

5. TAXATION

	13 month period ended 31 December 2017 USD000	13 month period ended 30 November 2016 USD000
CORPORATION TAX		
Current tax on profits for the year	5	2
	<u>5</u>	<u>2</u>
TOTAL CURRENT TAX	<u>5</u>	<u>2</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2017**

5. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE 13 MONTH PERIOD

There were no factors that affected the tax charge for the 13 month period which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19.3% (2016 - 20%).

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2017 USD000	30 November 2016 USD000
Amounts owed by group undertakings	595	591
	<u>595</u>	<u>591</u>

All amounts owed by group undertakings are receivable on demand.

7. CASH AND CASH EQUIVALENTS

	31 December 2017 USD000	30 November 2016 USD000
Cash at bank and in hand	602	287
	<u>602</u>	<u>287</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2017 USD000	30 November 2016 USD000
Trade creditors	284	-
Amounts owed to group undertakings	17	15
Corporation tax	5	2
Accruals and deferred income	156	148
	<u>462</u>	<u>165</u>

All amounts owed to group undertakings are payable on demand.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2017**

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

	31 December 2017 USD000	30 November 2016 USD000
Trade creditors	706	706
	706	706

Trade creditors relate to security deposit received in respect of MSN 7014.

10. SHARE CAPITAL

	31 December 2017 USD000	30 November 2016 USD000
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
1 Ordinary Shares - share of £1		

The authorised share capital of the Company at 31 December 2017 comprised 1 ordinary share of £1 par value each (30 November 2016: 1 ordinary share of £1 par value each).

11. RESERVES

	31 December 2017 USD000	30 November 2016 USD000
At 1 December	7	-
Issue of share capital	-	-
Profit for the financial period	22	7
At 31 December/30 November	29	7

12. PARENT ENTITY

The Company is a wholly owned subsidiary of AWAS Aviation Trading Designated Activity Company, a company incorporated in the Republic of Ireland, which is a subsidiary of the Company's ultimate parent, DAE.

The Company is a "sub-subsidiary" of DAE. DAE is the parent undertaking of the smallest group for which group financial statements are prepared, of which the Company is a member. The consolidated financial statements of DAE are filed at the Companies Registration Office in Dublin, Ireland.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2017**

13. RELATED PARTY TRANSACTIONS

Under FRS 101, the Company is exempt from the requirement to disclose transactions with wholly owned entities that are part of the same group which includes the Company in its own published consolidated financial statements. There were no other related party transactions requiring disclosure.

The transactions with key management personnel, including directors, are set out in note 4.

14. FOREIGN TAXATION

The international character of the Company's operations gives rise to some uncertainties with regard to the impact of taxation in certain countries. The position is kept under continuous review and the Company provides for all known liabilities where it is probable that such liabilities will crystallise.

15. COMMITMENTS UNDER OPERATING LEASES

Under the Company's lease agreements, the lessee is generally responsible for normal maintenance and repairs, airframe and engine overhauls, consents and approvals and compliance with return conditions of aircraft on lease. In certain cases, the Company may be obligated to make contributions (the "sub-lessor contribution") to the lessee for planned major maintenance events including and up to an amount of maintenance reserves paid by the lessee (the "lessee maintenance reserves") under the lease based on current estimates of usage and future maintenance costs of the aircraft. This amounted to USD 3.8 million as at 31 December 2017 (2016: USD 1.5 million).

No liability has been recognised for the sub-lessor contribution as at 31 December 2017 as the Company has entered into a similar arrangement with the aircraft owning head-lessor (the "head-lessor") such that the Company will receive a payment for any sub-lessor contributions that it may be required to make and consequently there is an offsetting asset due from the head-lessor, and these amounts have been presented on a net basis in the Company's balance sheet.

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2017 USD000	30 November 2016 USD000
Not later than one year	3,356	3,356
Later than one year and not later than five years	13,425	13,425
Later than five years	3,916	7,552
	20,697	24,333

The Company has no other contingent liabilities as at 31 December 2017.

16. POST BALANCE SHEET EVENTS

There were no significant events subsequent to 31 December 2017.