

Registered number: 9864011

## **AWAS 7014 UK LIMITED**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**AWAS 7014 UK LIMITED**

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**AWAS 7014 UK LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	Mark Elgar Nita Savjani Conor Nolan
<b>Company secretary</b>	TMF Corporate Administration Services Limited
<b>Registered number</b>	9864011
<b>Registered office</b>	C/O TMF Group 8th Floor 20 Farringdon Street London United Kingdom EC4A 4AB
<b>Independent auditor</b>	KPMG Chartered Accountants 1 Harbourmaster Place IFSC Dublin 1 Ireland D01 F6F5

## **AWAS 7014 UK LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their annual report and the audited financial statements for the year ended 31 December 2021.

#### **Principal activities, business review and future developments**

The principal activity of AWAS 7014 UK Limited (the "Company") is the leasing of commercial jet aircraft. The Company leased one aircraft to an airline in Europe. No significant changes in the Company's primary business activity are anticipated.

The continued disruption caused by the spread of the COVID-19 virus during 2021 has continued to result in reductions in global travel which has impacted the activities of the Company as a lessor to airlines.

There is still uncertainty over how the future development of the COVID-19 outbreak will impact the Company's airline customers and the Company itself as a consequence. The Directors continue to monitor and assess the impact of COVID-19 on the activities of the Company.

Notwithstanding the impact of COVID-19 on the Company's activities the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. It is the intention of the Directors to develop the activities of the Company and to seek out opportunities for the continued success of the Company.

#### **Results and dividends**

The profit for the year, after taxation, amounted to \$20 thousand (2020 - \$15 thousand).

The Directors do not recommend the payment of a dividend (2020: nil).

#### **Directors**

The Directors who served during the year were:

Mark Elgar  
Nita Savjani  
Conor Nolan

Nita Savjani, Director of the Company, is an employee of TMF Global Services (UK) Limited which provides services to the Company and other related parties.

Mark Elgar and Conor Nolan 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 year ended 31 December 2021.

#### **Political contributions**

The Company made no political donations or incurred any political expenditure during the year (2020: nil).

## **AWAS 7014 UK LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Principal risks and uncertainties**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company complies with risk management policies which are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks. The Company's principal risks and uncertainties are described below:

##### **Credit risk**

The Company is subject to the credit risk of its lessees as to collection of rental payments under its operating leases. Credit risk is defined as the unexpected loss in cash and earnings if the counterparty is unable to pay its obligations in due time. The Company acts as an intermediate lessor and seeks to mitigate this risk through limited recourse clauses within head lease agreements, where appropriate.

The effective monitoring and controlling of airline customer credit risk is a competency of a dedicated DAE Group Risk Management team. As a result of the impact of COVID-19 on the aviation sector there has been increased monitoring of and engagement with the Company's lessees. The Directors, in conjunction with the Risk Management Team, continue to monitor the performance of the lessees on an on-going basis.

##### **Interest rate risk**

The Company may be exposed to interest rate volatility through its financial liabilities. The Company manages interest rate volatility and uncertainty by entering into interest rate hedging strategies, where appropriate.

##### **Foreign exchange risk**

The Company has a minimum exposure to foreign exchange risk as the majority of transactions are denominated in US dollars.

##### **Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes and infrastructure, and from external factors other than credit, markets and liquidity issued 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.

#### **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 the Director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

#### **Post balance sheet events**

Details of important events affecting the Company which have taken place since the end of the reporting period are disclosed in note 13 to the financial statements.

#### **Auditor**

The auditor, KPMG Chartered Accountants, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**AWAS 7014 UK LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 state of affairs of the Company and of the profit or loss of the Company for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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;
- 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 to 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.

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

*Mark Elgar*

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Mark Elgar  
Director

Date: 13 July 2022



**KPMG**  
**Audit**  
1 Harbourmaster Place  
IFSC  
Dublin 1  
D01 F6F5  
Ireland

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

### Report on the audit of the financial statements

#### *Opinion*

We have audited the financial statements of AWAS 7014 UK Limited ('the Company') for the year ended 31 December 2021 set out on pages 9 to 20, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 Reduced Disclosure Framework.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework issued by the UK's Financial Reporting Council; and
- the financial statements 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 (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.

#### *Conclusions relating to going concern*

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.



## Independent auditor's report to the members of AWAS 7014 UK Limited *(continued)*

### ***Conclusions relating to going concern (continued)***

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

### **Detecting irregularities including fraud**

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.





## Independent auditor's report to the members of AWAS 7014 UK Limited *(continued)*

### ***Other information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

Based solely on our work on the other information undertaken during the course of the audit:

- 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### ***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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.



## Independent auditor's report to the members of AWAS 7014 UK Limited *(continued)*

### **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 including being satisfied that they give a true and fair view; 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; 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 they 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, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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](http://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.

**Dominic Mudge (Senior Statutory Auditor)**  
**For and on behalf of KPMG, Statutory Auditor**  
1 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

15 July 2022

**AWAS 7014 UK LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Note</b>	<b>2021 \$000</b>	<b>2020 \$000</b>
Turnover	4	34	34
Operating expenses	5	(10)	(15)
<b>Operating profit</b>		<u>24</u>	<u>19</u>
Tax on profit	7	(4)	(4)
<b>Profit for the financial year</b>		<u>20</u>	<u>15</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the financial year</b>		<u>20</u>	<u>15</u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The above results were derived from continuing operations. All results are attributable to the owners of the Company.

The notes on pages 12 to 20 form part of these financial statements.

## AWAS 7014 UK LIMITED

BALANCE SHEET  
AS AT 31 DECEMBER 2021

	Note	2021 \$000	2020 \$000
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	108	154
		<u>108</u>	<u>154</u>
Creditors: amounts falling due within one year	9	(11)	(77)
<b>Net current assets</b>		<u>97</u>	<u>77</u>
<b>Total assets less current liabilities</b>		<u>97</u>	<u>77</u>
<b>Net assets</b>		<u>97</u>	<u>77</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account	11	97	77
<b>Shareholders' funds</b>		<u>97</u>	<u>77</u>

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*

Mark Elgar  
Director

Date: 13 July 2022

The notes on pages 12 to 20 form part of these financial statements.

**AWAS 7014 UK LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
At 1 January 2021	-	77	77
<b>Comprehensive income for the year</b>			
Profit for the year	-	20	20
<b>At 31 December 2021</b>	<b>-</b>	<b>97</b>	<b>97</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
At 1 January 2020	-	62	62
<b>Comprehensive income for the year</b>			
Profit for the year	-	15	15
<b>At 31 December 2020</b>	<b>-</b>	<b>77</b>	<b>77</b>

The notes on pages 12 to 20 form part of these financial statements.

All equity is attributable to the owners of the Company.

## **AWAS 7014 UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **1. General information**

The Company is a private company limited by share capital, incorporated and domiciled in the United Kingdom.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework' ("FRS 101").

In preparing these financial statements, the Company applies the recognition measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK in conformity with the requirements of the Companies Act 2006 ("UK-adopted IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Due to the nature of the Company's business and the type of transactions the Company is engaged in, the Directors have adapted the Statement of Comprehensive Income to suit the circumstances of the business.

The Company is a wholly owned subsidiary of AWAS Aviation Trading Designated Activity Company, a company incorporated in Ireland.

The following principal accounting policies have been applied:

##### **2.2 Financial Reporting Standard 101 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of Dubai Aerospace Enterprise (DAE) Ltd as at 31 December 2021 and these financial statements may be obtained from Dubai Aerospace Enterprise (DAE) Ltd, PO BOX 506592, L20-00, Level 20, ICD Brookfield Place, Dubai International Financial Centre, Dubai, United Arab Emirates.

**AWAS 7014 UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****2. Accounting policies (continued)****2.3 Impact of new international reporting standards, amendments and interpretations**

The following amendments became effective and have been adopted by the Company during the financial year. The impact of the adoption of these amendments has not had a material impact on the Company's financial statements.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

**2.4 Measurement convention**

The financial statements are prepared on the historical cost basis.

**2.5 Going concern**

The disruption caused by the spread of the COVID-19 virus has continued to result in reductions in global travel, during 2021, which has impacted the activities of the Company as a lessor to airlines. There is still uncertainty over how the future development of the COVID-19 outbreak will impact the Company's airline customers and the Company itself as a consequence.

The Directors have considered the obligations of the Company falling due for a period of at least twelve months from the date of approval of these financial statements (comprising principally of creditors due within year as disclosed in note 9) and are satisfied that the Company will have sufficient resources available (comprising principally of realisation of debtors due within year as disclosed in note 8 and contracted rental receipts due under lease arrangements as disclosed in note 4), to meet its obligations as they fall due.

Based on these considerations, the Directors have a reasonable expectation that the Company has adequate liquidity and financial resources to continue in operation for at least the next twelve months and that the going concern basis of preparation remains appropriate.

**2.6 Foreign currency translation****Functional and presentation currency**

The Company's functional currency is United States Dollars ("USD"). All financial information presented in USD has been rounded to the nearest thousand unless otherwise stated.

**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.

**2.7 Turnover**

The Company, as intermediate lessor, leases in aircraft from related parties (the aircraft owners) and leases them to third parties principally under operating leases. Turnover comprises net operating lease income derived from the Company's leasing activity. Lease income and operating lease expense are recognised net in the statement of a comprehensive income on a straight line basis.

## **AWAS 7014 UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **2. Accounting policies (continued)**

##### **2.8 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated debt.

##### **2.9 Taxation**

Tax is recognised in profit or loss 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.

##### **2.10 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

###### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

###### **Debt instruments at amortised cost**

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, 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. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.



**AWAS 7014 UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****2. Accounting policies (continued)****2.10 Financial instruments (continued)****Impairment of financial assets**

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

**Financial liabilities****At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

**2.11 Leases**

On the inception of each new lease, a detailed assessment is carried out to classify the lease as an operating or finance lease. The assessment examines whether the lease is for the major part of the economic life of the asset and/or if there are any purchase options available to the lessee at the end of the lease term. Where the specific criteria are met, the Company will classify the lease as an operating or finance lease accordingly.

**2.12 Debtors**

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

**2.13 Creditors**

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.14 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

**AWAS 7014 UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****3. Judgments in applying accounting policies and key sources of estimation uncertainty**

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. The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

**4. Turnover**

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Lease rental income	<b>3,390</b>	3,390
Operating lease expense	<b>(3,356)</b>	(3,356)
<b>Net operating lease income</b>	<b>34</b>	34

Turnover comprises net operating lease income derived from the Company's leasing activity. Only the amount of lease rental income retained by the Company has been recorded as income.

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

At 31 December 2021, the Company had contracted to receive the following net minimum cash lease rentals under non-cancellable operating leases:

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Less than one year	<b>34</b>	34
One to two years	<b>34</b>	34
Two to three years	<b>6</b>	34
Three to four years	-	6
Four to five years	-	-
More than five years	-	-
	<b>74</b>	108

**AWAS 7014 UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****5. Operating expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Legal and professional	<b>10</b>	<b>12</b>
Other expenses	<b>-</b>	<b>3</b>
	<b>10</b>	<b>15</b>

The Company has no persons in employment during the year ended 31 December 2021 (2020: nil).

The management and administration of the Company are outsourced to related parties.

**6. Statutory Information**

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Audit of financial statements	<b>3</b>	<b>3</b>
Directors' fees	<b>9</b>	<b>9</b>
<b>Total</b>	<b>12</b>	<b>12</b>

The Company has not paid any fees or other remuneration to the Directors of the Company, who are employees of the DAE Group, related to the directorship role they provide as part of their group-wide executive management role. The amounts disclosed above are an estimate allocation of the fee paid by DAE (Ireland) Limited for management services which include the provision of Directors to the Company. The allocation is based on an estimate of the qualifying services they provided to the Company.

Auditor's remuneration is borne by a related group company.

**AWAS 7014 UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****7. Taxation**

	<b>2021</b> <b>\$000</b>	<b>2020</b> <b>\$000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>4</b>	<b>4</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
<b>Taxation on profit on ordinary activities</b>	<b>4</b>	<b>4</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	<b>2021</b> <b>\$000</b>	<b>2020</b> <b>\$000</b>
Profit on ordinary activities before tax	<b>24</b>	<b>19</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	<b>4</b>	<b>4</b>
<b>Total tax charge for the year</b>	<b>4</b>	<b>4</b>

**Factors that may affect future tax charges**

The tax charge in future periods will be affected by any changes to the corporation tax rates in force in the United Kingdom.

**8. Debtors**

	<b>2021</b> <b>\$000</b>	<b>2020</b> <b>\$000</b>
Amounts owed by group undertakings	<b>108</b>	<b>154</b>
	<b>108</b>	<b>154</b>

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

## AWAS 7014 UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 9. Creditors: Amounts falling due within one year

	2021 \$000	2020 \$000
Trade creditors	7	-
Amounts owed to group undertakings	-	73
Corporation tax	4	4
	<u>11</u>	<u>77</u>

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

## 10. Share capital

	2021 \$	2020 \$
<b>Authorised, allotted, called up and fully paid</b>		
1 (2020 - 1) Ordinary share of £1	<u>1</u>	<u>1</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time.

The sole shareholder has all powers and full voting rights as permitted under the applicable company laws.

## 11. Profit and loss account

	2021 \$000	2020 \$000
At the beginning of the year	77	62
Profit for the financial year	20	15
<b>At the end of the year</b>	<u>97</u>	<u>77</u>

## 12. Related party transactions

The Company is availing of the exemption available under FRS 101 from disclosing transactions entered into between two or more members of a group, provided that any subsidiary party to the transaction is wholly owned by such a member. Details of the availability of the group consolidated financial statements are given in note 14 to these financial statements.

**AWAS 7014 UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****13. Post balance sheet events**

In February 2022, a number of countries (including amongst others the US, UK and EU) imposed sanctions against certain entities and individuals in Russia and Belarus as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on 24 February 2022. The situation, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, has driven a sharp increase in volatility across markets. The Directors regard these events for the Company as non-adjusting events after the reporting period. Although neither the Company's performance and going concern nor operations, at the date of the approval of these financial statements, have been significantly impacted by the above, the Directors continue to monitor the evolving situation and its impact on the financial position and operations of the Company.

There have been no other significant events affecting the Company since the year end.

**14. Parent and ultimate parent undertaking**

The Company is a wholly-owned subsidiary of AWAS Aviation Trading Designated Activity Company which is a subsidiary of the Company's ultimate parent DAE. DAE is privately owned by Investment Corporation of Dubai ("ICD"), ICD Hospitality & Leisure LLC ("ICDHL") and Dubai Integrated Economic Zones Authority ("DIEZ"). Effective 1 January 2022 the shares previously held by Dubai Silicon Oasis Authority ("DSOA") were transferred to DIEZ. ICDHL and DIEZ are subsidiaries of ICD. ICD is controlled by the Government of Dubai. The Company considers ICD, a corporation formed by Royal Decree in the Emirate of Dubai, United Arab Emirates, to be its ultimate beneficial owner.

DAE is the parent undertaking of the smallest and largest group for which group financial statements including the Company are prepared. The consolidated financial statements of DAE may be obtained by writing to The Secretary, Dubai Aerospace Enterprise (DAE) Ltd, PO BOX 506592, L20-00, Level 20, ICD Brookfield Place, Dubai International Financial Centre, Dubai, United Arab Emirates.