Company Number 10963185

Airborne Capital (UK) Limited (Formerly Known as Airborne Serviceco UK Limited)

Directors' Report and Audited Financial Statements

For the financial year ended 31 December 2019

Contents

Directors' and Other Information

Directors	Anand Ramachandran Ramki Sundaram Paul Anthony Webb Laurence Binge
Company Secretary	Vistra Cosec Limited
Company Number	10963185
Registered Office	Suite 1 3rd Floor 11-12 St. James Square London United Kingdom
Independent Auditor	KPMG Chartered Accountants, Statutory Audit firm 85 South Mall Cork Ireland
Solicitors	Walkers 5th Floor The Exchange George's Dock IFSC Dublin 1 Ireland
Banks	Barclays Bank plc 2 Park Place Hatch Street Dublin 2 Ireland Barclays Bank plc Leicestershire Leicester England

Strategic Report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2019.

Review of the business

The principal activity of the Company is to provide lease management services to investors in the aviation sector (the "sector"). As at 31 December 2019, the profit for the year amounted to US$434,591 (2018: US$198,966).

Key performance indicators

Turnover (continuing operations): US$3,671,547 (2018: US$2,839,335)

Profit for the financial year: US$434,591 (2018: US$198,966)

Principal risks and uncertainties

The activities and performance of the Company are regularly reviewed by the directors. The principal risks arising from the Company's financial instruments are credit, market, liquidity and operational risk. The Company's approach in respect of mitigation of its financial risk is laid out in note 14 to the financial statements.

Future developments

The Directors are exploring a number of new opportunities for future growth and development of the Company and expect the level of activity to increase in the foreseeable future.

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

Ramki Sundaram
Director
27 August 2020

Anand Ramachandran
Director
27August 2020

Suite 1
3rd Floor 11-12 St. James Square
London
United Kingdom

Company registered number: 10963185

Directors' Report

The Directors present their report together with the audited financial statements of Airborne Capital (UK) Limited (the "Company") for the financial year ended 31 December 2019. The Company was formerly known as Airborne Serviceco UK Limited and changed its name to Airborne Capital (UK) Limited on 8 January 2020. The Company is a subsidiary of Airborne Capital Limited (the "Parent").

Directors
The names of the persons who were Directors at any time during the financial year ended 31 December 2019 and subsequently are set out below:

Walter Brazil (resigned 9 May 2019)
Eleanor Daly (resigned 9 May 2019)
Anand Ramachandran
Ramki Sundaram
Paul Anthony Webb (appointed 9 May 2019)
Laurence Binge (appointed 9 May 2019)

Company Secretary
Vistra Cosec Limited (formerly Jordan Cosec Limited) was appointed secretary of the Company on 14 November 2017.The Company entered into a corporate service agreement with Vistra Cosec Limited to provide company secretarial services to the Company.

Dividend
No dividends have been declared or distributed for the year ended 31 December 2019 (2018: nil).

Review of the business
The principal activity of the Company is to provide lease management services to parent. As at 31 December 2019, the profit for the year amounted to US$434,591 (2018: US$198,966).

Subsequent events
Since the start of January 2020, the world has been monitoring and reacting to the novel coronavirus (2019-nCoV). As of mid-August 2020, the virus has spread across the globe, with major out breaks across China, the Middle East, Europe and America, resulting in widespread restrictions on the ability of people to travel, socialise and leave their homes. Global financial markets have reacted sharply to this pandemic, with concerns regarding the economic impact this may have on a global scale, and which is expected to be material for the airline sector, and by extension the aircraft leasing sector. The Company's income streams have reduced as a result of the current economic conditions however the operating profit margin has remained the same. Revenue is earned by providing lease management services to the Parent. The expected impact is not measurable at present. The directors will continue to monitor the impact of the virus on the Company.

The Company was formerly known as Airborne Serviceco UK Limited and changed its name to Airborne Capital (UK) Limited on 8 January 2020.

There have been no other significant events since the balance sheet date which require disclosure in these financial statements.

Brexit impact
Brexit has created significant economic uncertainty and the Directors are required to assess the impact that it may have on the Company. As outlined in the review of business paragraph of the strategic report the Company provides lease management services within the aviation sector. As this is a global business the Directors do not believe that the operations of the Company are exposed to the potential negative impact of Brexit in any significant way. By virtue of the global nature of the aviation sector the Company is not reliant on any one geographical sector or region. The Directors will however continue to monitor this situation closely.

Directors' Report (continued)

Political contributions
The Company made no charitable or political donations during the year (2018: nil).

Disclosure of information to auditor
The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor
KPMG are the appointed auditors during the financial year and have expressed their willingness to continue in office in accordance with Section 487 of the Companies Act 2006.

Going concern
The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the financial statements.
The Company meets its day to day working capital requirements from its lease management activities.

The Company is in a net current asset position. As a result the Directors expect that the Company will continue to operate and to meet its liabilities as they fall due. Please refer to subsequent events note in this report for further detail.

By order of the board

Ramki Sundaram
Director
27 August 2020

Anand Ramachandran
Director
27 August 2020

Suite 1
3rd Floor 11-12 St. James Square
London
United Kingdom

Company registered number: 10963185

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Statement of directors' responsibilities in respect of the annual report, the directors' report and the financial statements

The directors are responsible for preparing the directors' report, strategic 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 International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

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 the 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 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 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.

On behalf of the board:

Ramki Sundaram	**Anand Ramachandran**
Director	Director
27 August 2020	27 August 2020

KPMG
Audit
85 South Mall
Cork
T12 A3XN
Ireland

Independent auditor report to the members of Airborne Capital (UK) Limited

1. Report on the audit of the financial statements

Opinion

We have audited the financial statements of Airborne Capital (UK) Limited ('the Company') for the year ended 31 December 2019, which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is UK Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union; 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 Annual Report together with the financial statements. The other information comprises the information included in the Directors' Report other than the financial statements and our auditor's report thereon. 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.

KPMG
Audit
85 South Mall
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Ireland

Independent auditor report to the members of Airborne Capital (UK) Limited
(continued)

1. Report on the audit of the financial statements (continued)

Based solely on our work on the other information:

- we have not identified material misstatements in the Directors Report or the Strategic Report;
- in our opinion, the information given in the Directors' Report and the Strategic Report is consistent with the financial statements; and
- in our opinion, the Directors' Report and the Strategic Report have 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.

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 7, 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 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.

KPMG
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Independent auditor report to the members of Airborne Capital (UK) Limited
(continued)

2. Respective responsibilities and restrictions on use *(continued)*

Auditor responsibilities for the audit of the financial statements *(continued)*

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.

Karen Conboy

Karen Conboy
For and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
85 South Mall
Cork
T12 A3XN

27 August 2020

Statement of Profit and Loss and Other Comprehensive Income

For the financial year ended 31 December 2019

	Note	Financial year ended 31-Dec-19 US$	Financial period ended 31-Dec-18 US$
Operating income			
Revenue	4	3,671,547	2,839,335
Gross profit		3,671,547	2,839,335
Administrative expenses	5	(3,080,238)	(2,590,677)
Depreciation charge	12	(58,747)	-
Expected credit loss provision	5	-	(3,021)
Operating profit		532,562	245,637
Tax (charge)/credit on loss	6	(97,971)	(46,671)
Profit for the financial year/period		434,591	198,966
Other comprehensive income		-	-
Total comprehensive profit for the financial year/period		434,591	198,966

The notes to the financial statements on pages 15 to 27 form an integral part of the financial statements.

Statement of Financial Positon

As at 31 December 2019

	Note	31-Dec-19 US$	31-Dec-18 US$
Non-current assets			
Loan to related party	15	13,204	-
Right of use asset	12	588,393	-
		601,597	-
Current assets			
Cash and cash equivalents	8	897,897	776,060
Trade and other receivables	9	949,649	282,121
Total assets		2,449,143	1,058,181
Creditors: due within one financial year			
Trade and other payables	10	259,947	162,776
Payable to Parent	15	214,777	555,063
Lease liability	12	356,245	-
		830,969	717,839
Creditors: due after more than one financial year			
Lease liability	12	286,606	-
Total liabilities		1,117,575	717,839
Equity			
Called up share capital	11	1	1
Capital contribution	15	698,010	141,375
Retained earnings		633,557	198,966
Total equity		1,331,568	340,342
Total equity and liabilities		2,449,143	1,058,181

The notes to the financial statements on pages 15 to 27 form an integral part of the financial statements.

On behalf of the Board

Ramki Sundaram
Director
27 August 2020

Anand Ramachandran
Director
27 August 2020

Statement of Cash Flows

For the financial year ended 31 December 2019

	Financial year 31-Dec-19 US$	Financial period 31-Dec-18 US$
Cash flows from operating activities		
Total comprehensive income for the year/period	434,591	198,966
Adjustments for:		
Effect of movement in exchange rates on cash held	(7,349)	32,252
Acquisition of right of use asset	(647,140)	-
Acquisition of lease liability	647,140	-
Effect of movement in exchange rates on lease liability	12,637	-
Capital contribution	556,635	
Depreciation charge	58,747	-
Lease liability interest expense	33,513	-
Changes in:		
(Increase in)/decrease in Trade and other receivables	(667,528)	(282,121)
(Decrease in)/increase in Trade and other payables	(243,115)	717,839
Cash generated from operating activities	178,131	666,936
Lease interest paid	(33,513)	-
Net cash from operating activities	144,618	
Cash flows from financing activities		
Payment of lease liabilities	(16,926)	-
Issue of employee loan	(13,204)	-
Issue of share capital	-	1
Capital contribution	-	141,375
Net cash generated from financing activities	(30,130)	141,376
Net increase in cash and cash equivalents	114,488	808,312
Cash and cash equivalents at beginning of the financial year/ period	776,060	-
Effect of movement in exchange rates on cash held	7,349	(32,252)
Cash and cash equivalents at end of the financial year/period	897,897	776,060

The notes to the financial statements on pages 15 to 27 form an integral part of the financial statements.

Statement of Changes in Equity

For the financial year ended 31 December 2019

	Share capital US$	Retained earnings US$	Capital Contribution US$	Total equity US$
Opening Balance as at 1 January 2019	1	198,966	141,375	340,342
Total comprehensive income for the financial year				
Profit for the financial year	-	434,591	-	434,591
Other comprehensive income	-	-	-	-
Transactions with shareholders recorded directly in equity				
Issue of share capital		-	-	-
Capital contribution	-	-	556,635	556,635
Balance as at 31 December 2019	1	633,557	698,010	1,331,568

	Share capital US$	Retained earnings US$	Capital Contribution US$	Total equity US$
Opening Balance	-	-	-	-
Total comprehensive income for the financial period				
Profit for the financial period	-	198,966	-	198,966
Other comprehensive income	-	-	-	-
Transactions with shareholders recorded directly in equity				
Issue of share capital	1	-	-	1
Capital contribution	-	-	141,375	141,375
Balance as at 31 December 2018	1	198,966	141,375	340,342

The notes to the financial statements on pages 15 to 27 form an integral part of the financial statements.

Notes to the financial statements

1. General information

The Company was incorporated and registered in the United Kingdom on 14 September 2017 with registration number 10963185. The principal activity of the Company is to provide lease management, lease origination and lease arrangement transactions services to investors in the sector.

2. Basis of preparation

(a) Statement of compliance

The Company financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") as issued by the International Accounting Standards Board ("IASB").

The Directors have performed a going concern assessment, comprising a review of the Company's financial position, future operations and forecasts for a period of at least 12 months from the date of approval of the financial statements, which demonstrates that the Company will be in a position to meet its liabilities as they fall due. On the basis of the assessment prepared the Directors consider it appropriate to prepare the financial statements on a going concern basis. Please also refer to the subsequent events note for consideration given to operations in light of the Covid-19 pandemic.

The financial statements are prepared under the historical cost convention stated in US$ which is the functional currency of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in US$ which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The Directors of the Company believe that the US$ most faithfully represents the economic effects of the underlying transactions, events and conditions of the Company. The Company operates in the aviation sector within which most global operations are transacted in US$.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting 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.

Estimates

These include estimates of expected credit losses as outlined in note 14(a).The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

Judgements

Details of material judgements have been further described in accounting policy 2(c) "Functional and presentation currency" and Note 12 "Leases".

Notes to the financial statements
3. Significant accounting policies

(a) Adoption of new and revised accounting standards

New standards and interpretations adopted during the financial year
A brief outline of the IFRSs which were issued by the IASB effective for financial years beginning on or after 1 January 2019:

IFRS 16: Leases - introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items.

Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Company did not hold any leases which met the definition of a lease per IFRS 16 in prior year. See Note 3 (k) for the policy around leases which meet the definition of IFRS 16 and Note 12 for those held by the Company at year end.

New standards not yet adopted
A number of new standards are effective for annual years beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements. The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- IFRIC 23 Uncertainty over Income Tax Treatments.
- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of a Business (Amendments to IFRS 3).
- Definition of Material (Amendments to IAS 1 and IAS 8).
- IFRS 17 Insurance Contracts.

(b) Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The only financial assets held by the Company are cash and cash equivalents and trade and other receivables, consequently no business model assessment has been performed due to the low credit risk and short term nature of these assets. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified as financial assets at amortised cost.

De-recognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Statement of Financial Position) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. Significant accounting policies (*continued*)

(b) Financial assets (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

Impairment of financial assets
The Company recognises an allowance for Expected Credit Losses ("ECLs") for all debt instruments not held at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or credit enhancements that are integral to the contractual terms.

ECLs are recognised under either a simplified or general approach, dependent on the nature of the related financial asset.

Under the general approach, ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Loss allowances, if any, are deducted from the gross carrying amount of the assets.
Given the short-term maturities and low credit risk of financial assets, cash and cash equivalents and trade and other receivables, the Company has measured the loss allowance for the financial year ends presented on a 12-month expected loss basis.

(c) Cash and cash equivalents
Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand, short-term deposits with a maturity date of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at amortised cost.

(d) Revenue from contracts with customers
IFRS 15 has been adopted by the Company. IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under IFRS 15, revenue is recognised when a customer obtains control over the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. Revenue for ongoing service contracts is recognised on the performance of service obligations over the year in which the service is provided based on time lapsed or stage of completion.

3. Significant accounting policies (*continued*)

(d) Revenue from contracts with customers (*continued*)
Certain service offerings of the Company involve a point in time service delivery, in which case revenue is recognised immediately on performance of the underlying service obligation. Information about the Company's accounting policies relating to contracts with customers is provided in Note 4.

(e) Trade and other receivables/Trade and other payables
Debtors are recognised initially at transaction price less associated transaction costs. Creditors are recognised initially at transaction price plus associated transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Under IFRS 9 an entity may use practical expedients when measuring the expected credit losses of certain financial assets including trade receivables, contract assets and lease receivables. This simplified approach has been applied to the financial assets of the Company held at amortised cost. We have therefore developed a provision matrix based on available data and credit loss experience.

(f) Operating income and expenses
All operating expenses are accounted for on an accruals basis.

(g) Taxation
Income tax expense comprises current tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates applicable to the Company's activities enacted or substantively enacted at the reporting date, and adjustments to tax payable in respect of previous financial years.

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between profits as computed for tax purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different financial years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the financial years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax is not discounted.

(h) Foreign currency transactions
Foreign currency transactions during the financial year are translated into US$ at the exchange rates ruling at the transaction dates. Monetary items denominated in foreign currencies are retranslated at rates prevailing at each reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the profit and loss account.

3. Significant accounting policies (*continued*)

(i) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as deduction from the proceeds, net of tax.

(j) Current versus non-current classification

The Company presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting year; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting year; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a *year of time in exchange for consideration. To assess whether a contract conveys the right to control* the use of an identified asset, the Company uses the definition of a lease in IFRS 16.This policy is applied to contracts entered into, on or after 1 January 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset ("ROU") is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3. Significant accounting policies (*continued*)

(k) Leases (*continued*)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Further detail on the discount rate applied by the Company is contained within Note 12 "Leases".

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The carrying amount of the right-of-use asset and lease liability are presented in the Company's Statement of Financial Position.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Fair value measurement policy

Under IFRS 13 Fair Value Measurement, the fair value of a financial asset and liability is the amount at which it could be exchanged in an arm's length transaction between informed willing parties, other than in a forced sale or liquidation.

The Company measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted process included within Level 1 that are observable for the asset or liability, either directly (i.e. as process) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market date (unobservable inputs).

The carrying amounts of the financial assets and liabilities of the Company are also deemed to be a reasonable approximation of their fair value.

4. Revenue

	Financial year ended 31-Dec-19 US$	Financial period ended 31-Dec-18 US$
Lease management fee income	3,671,547	2,839,335
	3,671,547	2,839,335

Revenue is measured based on the consideration specified in the lease management agreement.

4. Revenue (*continued*)

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with the parent, including significant payment terms, and the related revenue recognition policies.

Type of product/service	Nature and timing of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Lease management services	Revenue is recognised on the Company's monthly costs plus 15% in line with the Delegation and Outsourcing agreement.	Revenue is recognised on performance of service obligations over the term of the contract.

Revenue for the year is for the provision of lease management services to the Parent.

5. Administrative expenses

The Company is administered by Vistra Cosec Limited and has eight employees (2018: five).

	Financial year ended 31-Dec-19 US$	Financial period ended 31-Dec-18 US$
Compensation and benefit expenses	(1,707,149)	(1,596,967)
Administrative expenses	(1,335,715)	(601,665)
Legal and professional fees	(21,350)	(344,801)
Foreign exchange gain / loss	(16,024)	(47,244)
Expected credit loss provision	-	(3,021)
	(3,080,238)	(2,593,698)

The compensation and benefit breakdown is as follows:

	Financial year ended 31-Dec-19 US$	Financial period ended 31-Dec-18 US$
Salaries and wages	(854,686)	(750,810)
Payroll taxes	(785,115)	(701,754)
Pension costs and health insurance	(67,348)	(118,803)
Bonus	-	(25,600)
	(1,707,149)	(1,596,967)

The Company has expensed an amount of US$9,587 (2018 US$6,870) to be paid to its auditors in respect of the audit of the financial statements. There were no tax, assurance or other non-audit services provided by the auditors in respect of the Company during the year or prior period.

6. Taxation

	Financial year ended 31-Dec-19 US$	Financial period ended 31-Dec-18 US$
Current tax expense	(97,971)	(46,671)
	(97,971)	(46,671)

6. Taxation (*continued*)

Reconciliation of effective tax rate

	Financial year ended 31-Dec-19 US$	Financial period ended 31-Dec-18 US$
Profit/(loss) for the year/period	532,562	245,637
Total tax expense	-	-
Profit/(loss) excluding taxation	532,562	245,637
Tax using the UK corporation tax rate of 19 %	(101,187)	(46,671)
Effects of:		
Lease interest expense adjustment	(6,367)	-
Lease payments adjustment	9,583	-
Total tax expense	(97,971)	(46,671)

Reductions in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) were substantively enacted on 6 September 2016. In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce 17% from 1 April 2020. This will have a consequential effect on the company's future tax charge

7. Directors and employees

The Company has eight employees. Anand Ramachandran and Ramki Sundaram, Directors of the Company are also employees of the Company. The total gross salary paid to these Directors during the financial year ended 31 December 2019 was US$944,361 (2018 US$ 756,431). The total amounts paid to pension schemes on the Directors behalf during the financial year ended 31 December 2019 was US$39,743 (2018 US$ 35,200). The Directors received no further remuneration from the Company in respect of qualifying services rendered during the financial year.

8. Cash and cash equivalents

	31-Dec-19 US$	31-Dec-18 US$
Cash and cash equivalents	897,897	776,060
	897,897	776,060

The Company's cash balances are held with Barclays Bank plc, which are rated A2 based on long-term Moody's ratings.

9. Trade and other receivables

	31-Dec-19 US$	31-Dec-18 US$
Deposits receivable	23,095	41,501
Management fee receivable related party	833,674	160,549
Other receivables	21,859	28,914
Prepaid expenses	71,021	51,157
	949,649	282,121

10. Trade and other payables

	31-Dec-19 US$	31-Dec-18 US$
Corporation tax payable	144,643	46,671
Other payables	115,304	116,105
	259,947	162,776

11. Called up share capital and reserves

	31-Dec-19 US$	31-Dec-18 US$
Authorised called up share capital		
100 shares of GBP 1 each	133	133
Issued and fully paid		
1 shares of GBP 1 each	1	1
	1	1

12. Leases

Right-of-use assets

	31-Dec-19 US$	31-Dec-18 US$
Balance at 1 January 2019	-	-
Additions during the year	647,140	-
Depreciation charge ROU	(58,747)	-
Closing balance	588,393	-

Lease liability

	31-Dec-19 US$	31-Dec-18 US$
Maturity analysis - contractual undiscounted cash flows		
Less than one year	356,245	-
One to five years	302,373	-
More than five years	-	-
Total undiscounted lease liabilities at 31 December 2019	658,618	-
Lease liabilities included in the statement of financial position at 31 December 2019	642,851	-
Current	356,245	-
Non-current	286,606	-

Judgement was applied in deciding on the discount rate of 5.5% to be used in measuring the Company's lease liability.

13. Ownership of the Company

The Company's parent undertaking is Airborne Capital Limited ("Airborne"), a company incorporated in the Republic of Ireland. InterGlobe Aircraft Management Services (UK) Private Limited ("IG") is the controlling party with a majority shareholding of 65%.

IG having their registered office at Dixcart House, Addlestone Road, Bourne Business Park, Addlestone, Surrey, United Kingdom.

14. Financial risk management

The principal risks arising from the Company's financial instruments are credit, market, liquidity and operational risk. The Company has established policies for managing these risks as outlined below.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's lease management debtors. The Company operates as a provider of management services to the Parent. Its ability to succeed is dependant on the financial strength of the Parent. If the parent experiences financial difficulties this may result in defaults. The Directors mitigate this risk by putting in place appropriate settlement conditions in the event of default.

An impairment analysis, as outlined in Note 3 (b), is performed at each reporting date using a provision matrix to measure expected credit losses for all debt instruments not held at fair value through profit or loss.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31-Dec-19	31-Dec-18
	US$	US$
Cash and cash equivalents	897,897	776,060
Management fee receivable related party	833,674	160,549
Other receivables (a)	21,859	28,914
Deposit receivable	23,095	41,501
Loan to related party	13,204	-
	1,789,729	1,007,024

(a) Other receivables are non-interest bearing and are repayable as per the terms on the individual contracts.

Expected credit loss assessment

When assessing the need to recognise an allowance for ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. Factors such as length of maturity of the exposures, current credit risk based on external credit ratings of the counterparties, and fluctuations in the credit risk based on the risk of default occurring over the expected life of the asset are considered.

Loss allowances, if any, are deducted from the gross carrying amount of the assets.
Given the short-term maturities and low credit risk of cash and cash equivalents and other assets, the Company has measured the loss allowance for the financial year ends presented on a 12-month expected loss basis.

For the financial year ended presented in the financial statement the Company has calculated an immaterial ECL for financial reporting purposes.

(b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income.

14. Financial risk management (continued)

(b) Market risk (continued)
Currency risk
The Company has a minimum exposure to foreign exchange risk as the majority of transactions are denominated in US$.

Interest rate risk
Interest rate risk is the risk of variability in value of an interest bearing financial instrument such as a loan or a bond due to variability of interest rates.
The Company does not have any interest bearing financial liabilities. Interest on cash and cash equivalents is not considered material. As such the Company is not exposed to significant interest rate risk.

(c) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity risk is low as the Company is essentially funded by the Parent and the majority of financial liabilities are payable to the Parent;

2019	**US$ Carrying Amount**	**US$ Contractual Cash flows**	**US$ Within 1 year**	**US$ Over 5 years**
Payable to related parties	214,777	(214,777)	(214,777)	-
Other payables	259,947	(259,947)	(259,947)	-
Lease liability	642,851	(658,618)	(356,245)	(302,373)
Total	1,117,575	(1,133,342)	(830,969)	(302,373)

2018	**US$ Carrying Amount**	**US$ Contractual Cash flows**	**US$ Within 1 year**	**US$ Over 5 years**
Payable to related parties	555,063	(555,063)	(555,063)	-
Other payables	162,776	(162,776)	(162,776)	-
Total	717,839	(717,839)	(717,839)	-

The Parent's contracted revenues will not be impacted by Covid-19 due to the position of the servicing fee income on the waterfall of the investments and therefore by extension the Company's revenue will remain unaffected. This will enable the Company to continue to meet its financial obligations as they fall due.

(d) *Operational risk*
The Company was incorporated with the purpose of engaging in those activities outlined in the Directors' Report. All administration functions are outsourced to third party providers.

15. Related party transactions

Company membership

The Company's ultimate parent undertaking, which presents consolidated financial statements and which includes the Company's position is InterGlobe Enterprises Private Limited.

Please see details below of the related party transactions entered into during the financial year.

15. Related party transactions (continued)

	31-Dec-19	31-Dec-18
	US$	US$
Payable to Parent	214,777	555,063
	214,777	555,063

Capital Contribution	**31-Dec-19**	**31-Dec-18**
	US$	US$
Opening balance	141,375	-
Parent funding	556,635	141,375
Closing balance 31 Dec 2019	698,010	141,375

During the prior financial period the Company received funds US$141,375 from Airborne Capital Limited. The purpose of these funds was to enable the Company to incur initial operational expenditure. This amount is non-interest bearing. During the financial year regarding an intercompany payable to the Parent of $556,635 it was decided against settling this but instead to treat this as a further capital contribution.

The Company also provides management services to its Parent. During the financial year the Company earned management fees of US$3,671,547 (2018 US$2,839,335). At the end of the financial year an amount of US$833,674 (2018 US$160,549) fee was receivable for these services.

Employee loan

	31-Dec-19	31-Dec-18
	US$	US$
Employee loan	13,204	-
	13,204	-

During the year the Company provided a non-interest bearing loan of £10,000 to an employee. The loan is due to be repaid by February 2021.

16. Obligations under leases

	31-Dec-19	31-Dec-18
	US$	US$
Not later than one year	-	440,832
After one year but not more than five years	-	110,208
After five years	-	-
	-	551,040

17. Subsequent events

Since the start of January 2020, the world has been monitoring and reacting to the novel coronavirus (2019-nCoV). As of mid-March 2020, the virus has spread across the globe, with major out breaks across China, the Middle East, Europe and America, resulting in widespread restrictions on the ability of people to travel, socialise and leave their homes. Global financial markets have reacted sharply to this pandemic, with concerns regarding the economic impact this may have on a global scale, and which is expected to be material for the airline sector, and by extension the aircraft leasing sector. The Company's income streams have not reduced as a result of the current economic conditions and the operating profit margin has remained the same. Revenue is earned by providing lease management services to the Parent. The expected impact is not measurable at present. The directors will continue to monitor the impact of the virus on the Company.

The Company was formerly known as Airborne Serviceco UK Limited and changed its name to Airborne Capital (UK) Limited on 8 January 2020.

There have been no other significant events since the balance sheet date which require disclosure in these consolidated financial statements

18. Commitments and Contingent Liabilities

The Directors were not aware of any other commitments or contingent liabilities. The members of the Company have no long term contracts other than those with their service providers.

19. Approval of the financial statements

The financial statements were approved by the Board and authorised for issue on 27 August 2020.