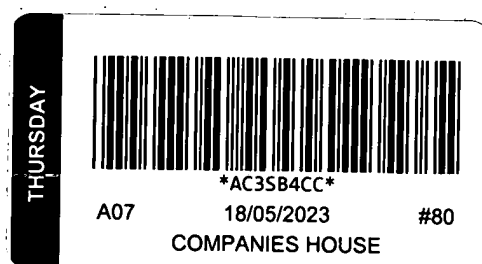


Airbus Real Estate UK Limited (formerly Airbus UK Limited)

Company Number: 6846202

Annual report and financial statements

31 December 2022



Strategic report

In accordance with applicable law and regulations, the directors of Airbus Real Estate UK Limited (formerly Airbus UK Limited) ("the Company") present the results of the financial year ended 31 December 2022.

Business Model

The Airbus group operates in three reportable segments (the "Divisions") which reflect the internal organisation and management structure according to the nature of the products and services provided: Airbus (formerly Airbus and Headquarters), Airbus Helicopters and Airbus Defence and Space.

Airbus Real Estate UK Limited (formerly Airbus UK Limited) is a 100% owned subsidiary of Airbus Operations Limited, which is part of the Airbus division.

An Executive Committee, chaired by the Chief Executive Officer, with the heads of the Divisions and key functions, is responsible for the management of all Airbus activities, including the sales activities and the product policies. The chairman of the Board of Directors of Airbus Operations Limited reports to the Airbus CEO.

Activities of Airbus Real Estate UK Limited (formerly Airbus UK Limited)

On 30 March 2021, Airbus Operations Limited invested £263,936,339 in the Company. The Company subsequently purchased land and buildings from an external third party at the Filton and Brought sites, and its lease of these sites to Airbus Operations Limited. The Company continues to lease the sites to Airbus Operations Limited and the lease runs to 31 March 2025. Airbus Operations Limited has the option to extend the lease for a further 25 years.

The Company was dormant up until 30 March 2021.

Governance

The Company has no employees and no bank account. Any costs incurred by the Company are settled by Airbus Operations Limited and recharged to the Company via an intercompany trading account. Activities required on behalf of the Company are performed by Airbus Operations Limited employees and the cost of this is recharged to the Company.

All activities are governed by a Service Level Agreement between Airbus Operations Limited and the Company.

Strategic report (continued)

Financial performance

The Company's key financial information is shown in the table below:

	2022 (£000s)	2021 (£000s)
Turnover	26,054	19,701
Profit for the financial year	16,093	10,413
Net assets	280,029	274,349

Turnover represents rent and insurance invoiced from the Company to Airbus Operations Limited for the year at Airbus Operations Limited's sites in Broughton and Filton.

The increase of 2022 in relation to 2021 turnover is because 2021 rent was invoiced for only nine months, whereas 2022 rent was invoiced for the full year.

The increase of net assets from 2022 to 2021 is predominantly explained by two factors: increase in debtors balance due to trading activities between Airbus Real Estate UK Limited and Airbus Operations Limited, against a reduction of fixed asset net book value due to annual depreciation charge.

Risks and uncertainties

Enterprise Risk Management

The Company does not have its own individual risk management and internal control system, but is embedded in the group-wide Enterprise Risk Management System ("ERM") designed and determined by Airbus.

ERM is a crucial mechanism for both mitigating the risks faced by the company and identifying future opportunities.

The aim of the ERM system is to provide management with an enhanced instrument for the effective approach to uncertainties and the risks accompanying the business of the Airbus.

ERM is used throughout Airbus, the subsidiaries and significant component suppliers with a largely uniform understanding, methods and practice. In the main, guidelines, reports, training sessions, internal controls and IT systems are available to this end. ERM comprises a hierarchical bottom-up and top-down reporting procedure, with which the risks and opportunities of the group can be presented more transparently.

Dependency on key customer

Airbus Real Estate UK Limited is dependent on one customer Airbus Operations Limited for all its revenue via a lease of land and buildings. This lease runs until 31 March 2025.

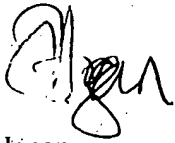
The directors are considering future options for Airbus Real Estate UK Limited. One such potential option is the transfer of trade and assets to its parent company, Airbus Operations Limited. In this scenario, there would be no replacement trade and there is therefore a material uncertainty in relation to the Company's continuation as a going concern.

Strategic report *(continued)*

Responsibility and sustainability

Airbus takes its environmental responsibilities seriously and our Environmental Management System is accredited to ISO 14001. We constantly strive to reduce emissions, waste, water and energy usage to minimise any adverse environmental impact our activities may create. Regular sustainability reviews are held at both UK sites developing new ideas and driving environmental improvements driving towards the Airbus purpose to pioneer sustainable aerospace for a safe and united world.

By order of the Board



S. Hogan
Director

16 May 2023

Directors' report

The directors present their report for the period ended 31 December 2022.

Activities

The Company owns land and buildings and acts as a landlord to its parent company, Airbus Operations Limited.

Proposed dividend

The directors have proposed a final ordinary dividend in respect of the current financial year of £16,093,269 (2021: £10,412,981). This has not been included within creditors as it was not approved before the year end.

Directors

The directors of the company during the period were:

A Adams (resigned 7 April 2022)
T Higgs (resigned 24 February 2022)
J Harrison
P McKinlay
S Hogan
S Partridge (appointed 4 April 2022)

Certain directors benefit from qualifying third party indemnity provisions in place at the date of this report.

Change in Company Name:

With effect from 05 May 2022, the name of the company was changed from Airbus UK Limited to Airbus Real Estate UK Limited.

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Disclosure of information to auditor

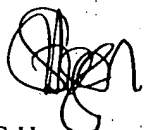
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make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

Directors' report (continued)

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

A handwritten signature in black ink, appearing to be 'S Hogan', written over a circular stamp or seal.

S Hogan
Director

Pegasus House
Aerospace Avenue
Filton
Bristol
BS34 7PA

16 May 2023

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 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, 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.

Independent auditor's report to the members of Airbus Real Estate UK Limited

Opinion

We have audited the financial statements of Airbus Real Estate UK Limited ("the Company") for the year ended 31 December 2022 which comprise the statement of profit or loss and other comprehensive income, balance sheet and statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.2 to the financial statements which indicates that the directors are exploring future options for the company, one of which could result in a transfer of trade and assets to Airbus Operations Limited, after which there are currently no plans to replace the trade in the company. These events and conditions, along with the other matters explained in note 1.2, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Going concern basis of preparation

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Our conclusion based on our financial statements audit work: we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Independent auditor's report to the members of Airbus Real Estate UK Limited (*continued*)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates. On this audit we do not believe there is a fraud risk related to revenue recognition because the company has a single simple revenue stream from a single intercompany customer.

We did not identify any additional fraud risks.

We performed procedures including:

- We substantively tested 100% of the journals, comparing the identified entries to supporting documentation.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety and environmental law recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent auditor's report to the members of Airbus Real Estate UK Limited(continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

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 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 remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports 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 in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for 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.

Independent auditor's report to the members of Airbus Real Estate UK Limited (*continued*)

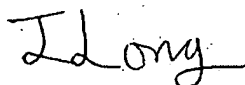
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Joseph Long (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queens Square
Bristol
BS1 4BE

16 May 2023

Profit & Loss Account

For the year ended 31 December 2022

	<i>Note</i>	<u>2022</u> £000s	<u>2021</u> £000s
Turnover	2	26,054	19,701
Depreciation and other amounts written off tangible fixed assets		(6,241)	(4,702)
Other operating expenses		(837)	(933)
Operating profit		<u>18,976</u>	<u>14,066</u>
Other interest receivable and similar income	5	782	-
Interest payable and similar charges	5	-	(94)
Profit on ordinary activities before taxation		<u>19,758</u>	<u>13,972</u>
Tax on profit on ordinary activities	6	(3,665)	(3,559)
Profit for the financial year		<u>16,093</u>	<u>10,413</u>

The notes on pages 15 to 21 form part of these accounts.

Other Comprehensive Income
For the year ended 31 December 2022

	<i>Note</i>	<u>2022</u> £000s	<u>2021</u> £000s
Profit for the financial year		16,093	10,413
Other comprehensive income		<u>16,093</u>	<u>10,413</u>

The notes on pages 15 to 21 form part of these accounts.

Balance sheet
At 31 December 2022

	<i>Note</i>	<u>2022</u> £000s	<u>2021</u> £000s
Fixed assets			
Tangible fixed assets	7	253,342	259,583
Current assets			
Debtors (Including 28m (2021: 17m) due after more than one year)	8	28,375	16,915
Creditors: amounts falling due within one year	9	(1,688)	(2,149)
Net current assets		<u>26,687</u>	<u>14,766</u>
Net assets		<u>280,029</u>	<u>274,349</u>
Share capital	10	-	-
Share premium		263,936	263,936
Profit and loss account		16,093	10,413
Shareholders' funds		<u>280,029</u>	<u>274,349</u>

These accounts were approved by the board of directors on 16 May 2023 and were signed on its behalf by:



S Hogan
Director

Company registered number: 6846202

The notes on pages 15 to 21 form part of these accounts.

Statement of Changes in Equity

	Called Up Share Capital £000s	Share Premium £000s	Profit and Loss Account £000s	Total Equity £000s
Balance at 1 January 2021	-	-	-	-
Total comprehensive income in the period				
Profit for the financial year	-	-	10,413	10,413
Transactions with owners, recorded directly in equity				
Issue of shares	-	263,936	-	263,936
Balance at 31 December 2021	<u>-</u>	<u>263,936</u>	<u>10,413</u>	<u>274,349</u>

	Called Up Share Capital £000s	Share Premium £000s	Profit and Loss Account £000s	Total Equity £000s
Balance at 1 January 2022	-	263,936	10,413	274,349
Dividends paid	-	-	(10,413)	(10,413)
Total comprehensive income in the period				
Profit for the financial year	-	-	16,093	16,093
Balance at 31 December 2022	<u>-</u>	<u>263,936</u>	<u>16,093</u>	<u>280,029</u>

The notes on pages 15 to 21 form part of these accounts.

Notes to the accounts

1. Accounting policies

Airbus Real Estate UK Limited (formerly Airbus UK Limited) (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 6846202 and the registered address is Pegasus House, Aerospace Avenue, Filton, Bristol, UK, BS34 7PA.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Airbus SE, includes the Company in its consolidated financial statements. The consolidated financial statements of Airbus SE are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Mendelweg 30, 2333 CS Leiden, The Netherlands.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Airbus SE include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There are no critical accounting judgements or key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that may cause a material adjustment to the carrying amount of assets or liabilities within the next financial year.

Notes to the accounts (*continued*)

1. Accounting policies (*continued*)

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The Company has positive net assets and net current assets. The principal activity of the company is to lease land and buildings to Airbus Operations Limited, the ultimate parent company. The company's cash flows are therefore dependent on the continuation, volume, and pricing of those operations. The Company does not have its own bank account and instead uses its parent company, Airbus Operations Limited, to settle any liabilities as they fall due.

In performing their going concern assessment, covering a period of at least 12 months from the date of signing these financial statements, the directors have taken into account the contractual lease in place with its parent company, Airbus Operations Limited, and assessed the financial position and liquidity of Airbus Operations Limited. Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

However, the directors are currently considering future options for Airbus Real Estate UK Limited. One potential option is the transfer of trade and assets to its parent company, Airbus Operations Limited. In this scenario, there would be no replacement trade.

Based on the above indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, this matter indicates the existence of a material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern and, therefore, that the company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.3 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account for each period or production unit as relevant. Land and assets in the course of construction are not depreciated. The estimated useful lives are as follows:

Buildings – 10-33 years, depending on condition of the building

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Notes to the accounts (*continued*)

1. Accounting policies (*continued*)

1.4 Turnover

Turnover is derived from the net value of services rendered during the period.

1.5 Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable 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 instrument for a similar debt instrument.

1.6 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. Turnover

Turnover represents rental income charged to Airbus Operations Limited. Included within rental income is a recharge of insurance cost relating to the leased sites.

3. Expenses and auditor's remuneration

Auditor's remuneration:

	<u>2022</u> £000s	<u>2021</u> £000s
Audit of these financial statements	41	68

Notes to the accounts (*continued*)

4. Staff numbers and Directors' remuneration

The Company has no employees and no payroll costs.

The remuneration of the directors in relation to their activities as board members is incidental compared to their other activities within the group and is not recharged to the Company.

5. Interest

	<u>2022</u> £000s	<u>2021</u> £000s
Other interest receivable and similar income	782	-
	<hr/>	<hr/>
Interest payable and similar charges	-	(94)
	<hr/>	<hr/>

This relates to interest on intercompany trading balance.

6. Taxation

a) Tax charged in the Profit and loss account

	<u>2022</u> £000s	<u>2021</u> £000s
<i>Current income tax</i>		
UK corporation tax 2022	(4,938)	(3,559)
Adjustments in respect of previous years	1,273	-
	<hr/>	<hr/>
Total tax charge	(3,665)	(3,559)
	<hr/>	<hr/>

Notes to the accounts (*continued*)

6. Taxation (*continued*)

b) Reconciliation of the total tax charge

Tax expense in the Profit and loss account for the year is lower than the standard rate of corporation tax of 19% (2021: 19%). The differences are reconciled below:

	<u>2022</u> £000s	<u>2021</u> £000s
Accounting profit before income tax	19,758	13,972
	<hr/>	<hr/>
Tax calculated at standard UK corporation tax rate of 19% (2021: 19%)	(3,752)	(2,655)
Disallowed expenses and non-taxable income	(1,186)	(904)
Adjustments in respect of previous years	1,273	-
	<hr/>	<hr/>
Total tax charge reported in Profit and loss account	(3,665)	(3,559)

c) Deferred Tax

The company has no tax attributes on which a deferred tax asset/liability arises.

7. Tangible fixed assets

	<u>Freehold land and buildings</u> £000s	<u>Total</u> £000s
<i>Cost</i>		
Balance at 1 January and 31 December 2022	264,285	264,285
	<hr/>	<hr/>
<i>Depreciation and impairment</i>		
Balance at 1 January 2022	4,702	4,702
Depreciation charge for the year	6,241	6,241
	<hr/>	<hr/>
Balance at 31 December 2022	10,943	10,943
	<hr/>	<hr/>
<i>Net book value</i>		
Balance at 1 January 2022	259,583	259,583
	<hr/>	<hr/>
Balance at 31 December 2022	253,342	253,342

FRS 102.17.31A requires the disclosure of the carrying amount at the end of the reporting period of investment property rented to another group entity, where the entity has chosen to account for such properties using the cost model in accordance with this section (see paragraph 16.4A).

Land and buildings are leased to Airbus Operations Limited, a fellow group entity. The Company has chosen to account for this land and building as tangible fixed assets, applying the cost model, as set out in FRS 102.16.4A.

Notes to the accounts (*continued*)

8. Debtors

	<u>2022</u> £000s	<u>2021</u> £000s
Amounts owed by group undertakings	28,375	16,915
Including 28m (2021: 17m) due after one year	<u> </u>	<u> </u>

Amounts owed by group undertakings represent amounts receivable from Airbus Operations Limited in relation to trading activities. The balance attracts interest at the Bank of England base rate +0.55% (2021: GBP LIBOR +0.3%)

9. Creditors

	<u>2022</u> £000s	<u>2021</u> £000s
Other creditors including taxation	1,655	2,020
Accruals	33	129
	<u>1,688</u>	<u>2,149</u>

10. Capital and reserves

	<u>2022</u> £000s	<u>2021</u> £000s
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	<u> </u>	<u> </u>

11. Dividends

After the balance sheet date total dividends of £16,093,269 (2021: £10,412,981) were proposed by the directors. The dividends have not been provided for.

Notes to the accounts (continued)

12. Leases as lessor

The tangible fixed assets are let under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

	<u>2022</u> £000s	<u>2021</u> £000s
Less than one year	25,278	25,278
Between one and five years	31,597	56,875
	<u>56,875</u>	<u>82,153</u>

13. Related parties

Transactions between related parties take place on an arm's length basis and relate to trading activities. The exemption in FRS 102.33.1A has been taken not to disclose related party transactions with fellow wholly owned members of the group.

As at 31 December 2022, there are no outstanding balances with non-wholly owned subsidiaries of Airbus SE or other related parties.

14. Parent undertaking

The Company is a subsidiary undertaking of Airbus Operations Ltd. However the ultimate parent undertaking and controlling party is Airbus SE, a company incorporated and registered in the Netherlands.

Copies of the group accounts of Airbus SE may be obtained from PO Box 32008, 2303 DA Leiden, The Netherlands.