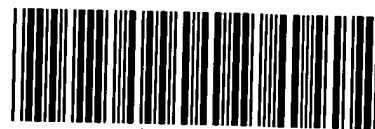


Boeing Commercial Aviation Services Europe Limited
Annual report and financial statements
for the year ended 31 December 2022

Registered number: 08186759

TUESDAY



AC9H6CJN

A13

08/08/2023

#89

COMPANIES HOUSE

Boeing Commercial Aviation Services Europe Limited

**Annual report and financial statements
for the year ended 31 December 2022**

CONTENTS

	Page
Officers and Professional advisers.....	1
Strategic report.....	2
Directors report.....	9
Directors' responsibilities statement.....	12
Independent auditor's report to the members of Boeing Commercial Aviation Services Europe Limited	13
Profit and loss account.....	17
Balance sheet.....	18
Statement of changes in equity.....	19
Notes to the financial statements.....	20

Boeing Commercial Aviation Services Europe Limited

Officers and Professional advisers

Directors

Nicola Welsh
Dominic Allen
Maria Lane

Company secretary

S Jones

Registered office

25 Victoria Street
London
SW1H 0EX

Bankers

Barclays Bank plc
Leicester
Leicestershire
LE87 2BB

Independent auditor

Deloitte LLP
Bristol

Boeing Commercial Aviation Services Europe Limited

Strategic report

Business model

Boeing Commercial Aviation Services Europe Limited ("BCASEL" or the "Company") was incorporated on 21 August 2012 as a wholly-owned subsidiary of Boeing United Kingdom Limited ("BUKL", "the parent"), a company incorporated in the United Kingdom, which in turn is a wholly-owned subsidiary of The Boeing Company ("TBC", "the ultimate parent"), a company incorporated in the United States of America.

The Company forms part of the Boeing Global Services ("BGS") and Boeing Commercial Airplanes ("BCA") business units and was established to support the business of its ultimate parent through the provision of goods and services to both related and third party customers. This is achieved by providing services to the commercial airplane market including the provision of airplane parts, tooling, engineering design and support services, supply chain management, maintenance and operations support activities into, within and out of Europe, for which the Company generates revenue through direct sales or in its capacity as service manager for its ultimate parent company TBC.

Review of the business

The results for the period are set out in the profit and loss account on page 17. The Company's sales from both internal and external goods and services rendered amounted to \$1,094,594,362 for the year (\$981,956,043 for the year ended 31 December 2021). Profit from operations was \$18,332,854 for the year (profit of \$16,261,465 for the year ended 31 December 2021). Turnover has increased as a result of the continuing global economic recovery resulting from the outbreak of COVID-19 which has resulted in higher revenue from inventory being moved. This has increased turnover and cost of sales by a similar amount due to the recharge nature of these transactions.

All internal goods and services traded are traded in accordance with market-related terms defined in formal agreements between the Company, its parent, and its ultimate parent, as well as any other group companies as may be relevant.

The balance sheet on page 18 of the financial statements shows the Company's net asset position amounts to \$495,555,955 at 31 December 2022 (\$487,572,758 at 31 December 2021). The increase is due to normal business activities.

Financial performance was in line with management expectations given the recovery of the global economy with increased demand on the Company's inventory and maintenance services.

Key performance indicators

Other than those noted above, which are aggregated and reported at the Boeing Group level, there are no other KPIs specifically for this entity.

Principal risks and uncertainties

The Company operates in the aviation industry, which continually changes due to market forces including: fuel prices, economic growth and development, environmental regulations, infrastructure, market liberalisation, aircraft capabilities, other modes of transport, business models, and emerging markets. This environment can create a large degree of uncertainty and change within the market, which requires the Company to be adaptive to changes in these conditions.

Management is well aware of the current global economic environment. The directors do not consider interest rate risk, liquidity risk, credit risk or cash flow risks as principal risks of the business because of the nature of formal operating agreements with the ultimate parent Company, whereby it has been agreed that remuneration will be determined based on the volume of inventory managed by the company on behalf of the Boeing Group plus recharge of other costs to TBC. The parent company supports the Company and indemnifies the Company against such risks. The Company acts as a "hub" within the

Boeing Commercial Aviation Services Europe Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

broader group within Europe, and the directors expect both the operating agreements and volume of inventory to be maintained at levels to meet business expectations.

The airline industry continues to recover from the lingering effects of the COVID-19 pandemic. Domestic travel continues to recover before international travel. The pace of the commercial market recovery remains impacted by government restrictions related to COVID-19, especially China. We are seeing a strong recovery in travel demand for our airline customers in North and South America, the Middle East and Europe, and demand for dedicated freighters continues to be underpinned by a strong recovery in global trade. We and our suppliers are experiencing supply chain disruptions as a result of global supply chain constraints, labour instability and the lingering impacts of COVID-19. We are also experiencing inflationary pressures. The war in Ukraine also continues to impact our airline and lessor customers.

Airline financial performance, which influences demand for new capacity, has been adversely impacted by the COVID-19 pandemic. According to the International Air Transport Association ("IATA"), net losses for the airline industry were \$138 billion in 2020 and \$42 billion in 2021. IATA also forecasts \$6.9 billion of losses for the industry globally in 2022, with approximately \$9.9 billion of profits in North America driven by the robust domestic market being more than offset by losses in other regions. For 2023, IATA is forecasting \$4.6 billion in profits for the industry globally. While the outlook continues to improve, we continue to face a challenging environment in the near- to medium- term as airlines are facing increased fuel and other costs and the global economy is experiencing high inflation. The current environment is also affecting the financial viability of some airlines.

The long-term outlook for the industry remains positive due to the fundamental drivers of air travel demand: economic growth, increasing propensity to travel due to increased trade, globalization, and improved airline services driven by liberalization of air traffic rights between countries. Our Commercial Market Outlook forecast projects a 3.8% growth rate for passenger and cargo traffic over a 20-year period. Based on long-term global economic growth projections of 2.6% in average annual GDP, we project demand for approximately 41,170 new airplanes over the next 20 years. The industry remains vulnerable to exogenous developments including fuel price spikes, credit market shocks, acts of terrorism, natural disasters, conflicts, epidemics, pandemics and increased global environmental regulations.

We continue to monitor impacts of global supply chain constraints, labour shortages, the war in Ukraine and inflationary pressures, as well as the lingering effects from the COVID-19 pandemic, to the global economy, the aerospace sector, and our Company. No additional steps have been considered necessary in 2022 in response to these. We continue to focus on reducing discretionary spending wherever possible.

The Company's Senior Management team are of the view that all of the aforementioned risks are mitigated by having a large long-term profitable owner in TBC. TBC and its UK and Ireland subsidiaries are internal customers, and the Company expects to benefit from continued investment and growth in those areas. TBC has confirmed its continued support in writing.

Boeing Commercial Aviation Services Europe Limited

Future developments and events after the balance sheet date

The directors are not aware of any post balance sheet events that would have a material impact on the reported financial statements of the Company.

Section 172(1) statement

Section 172(1) of the Companies Act 2006 requires that a Director of a company must act in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. the likely consequences of any decision in the long term,
- b. the interests of the Company's employees,
- c. the need to foster the Company's business relationships with suppliers, customers and others,
- d. the impact of the Company's operations on the community and the environment,
- e. the desirability of the Company maintaining a reputation for high standards of business conduct, and
- f. the need to act fairly as between members of the Company.

The directors of Boeing Commercial Aviation Services Europe Limited believe that, individually and together, they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006 in the decisions taken during the year ended 31 December 2022.

a. the likely consequences of any decision in the long term,

The Boeing Company (TBC) sets out the group's values, policies and processes and the principles of good governance to which all Group subsidiaries must follow. Decisions affecting a subsidiary are required to be taken in line with these policies and with the engagement of the Business Unit management teams, including in accordance with applicable delegations of authority, and in accordance with applicable law.

The Company provides services to all of Boeing's Business Units and Functional Overhead Teams:

- Boeing Commercial Airplanes (BCA)
- Boeing Defence Space and Security (BDS)
- Boeing Global Services (BGS)
- Boeing Capital (BCC)

All decisions that affect current or future contracts are discussed with appropriate levels of Business Unit management to ensure they align with their Long-Term Strategic Objectives.

The President of Boeing Global, previously called Boeing International, (all non-US legal entities) sits on the Boeing Group's Executive Council and is responsible for ensuring that International entities are aligned to the Group's objectives.

The Company's board acting in conjunction with senior business unit and functional leadership ensures that the Company is aligned to the Group's international objectives.

The Boeing Company's businesses each produce a Long-Range Business Plan, a financial forecast for the current year and financial projections for the next five years that considers Orders, Revenue, Earnings and Cash. The directors of the Company review and provide input towards the Long-Range Business Plan. The Directors are responsible for considering both current and future risks and opportunities. In so doing the directors consider a variety of matters including the interests of various stakeholders, the consequences of their decisions in the long term and the long-term reputation of the Company and its businesses.

Boeing Commercial Aviation Services Europe Limited

Strategic report (continued)

Section 172(1) statement (continued)

b. the interests of the Company's employees,

Colleague engagement is critical to our success and to ensure the long-term sustainability of delivering the innovation needed to solve our customers' complex challenges. We work to create a diverse and inclusive workplace where every employee can reach their full potential and be at their best. We engage with our people to ensure we are delivering to their expectations, supporting wellbeing and making the right business decisions.

Our employees are kept informed about what is happening across the business through emails, our intranet and news portal, leadership all-hands meetings and briefings. Employees are encouraged to ask questions, speak to their management and share their views through all of these channels and through periodic employee surveys, the results of which are reviewed by the Board and Senior Leadership to inform decision making and implement improvement action plans delivered by individual managers tailored to meeting the interests of our employees.

Following the onset of the COVID-19 pandemic in 2020 the Company initiated an Incident Management Team to respond to issues arising from the pandemic with a strategic importance on ensuring the safety and wellbeing of its employees whether they are working from home or in the workplace. The Company provided flexibility to its employees through allowing Company equipment to be used from home where required and introducing additional safety procedures and protocols within the workplace in line with or exceeding government requirements. As the pandemic matured during 2021 the Company started to look towards returning to the workplace and have created new policies and procedures designed to allow employees greater flexibility through the introduction of hybrid working patterns that will provide employees an enhanced work-life balance as we move towards the new normal. Hybrid working will ensure that Boeing offices are seen as a setting to collaborate with colleagues, customers and suppliers in a face-to-face environment whilst maintaining the benefits our employees have enjoyed whilst working from home to maintain a productive and positive work life balance.

The Company continues its focus on Gender, Equity, Diversity and Inclusion (GEDI) and TBC published its second Public Report in 2022. To improve open and honest communications across the enterprise TBC launched a focus on Seek, Speak and Listen habits aimed at all employees to improve business outcomes and create stronger teams. The Company also prepares and publishes its Gender Pay Gap reporting and the directors use this data to develop strategies for enhancing all aspects of GEDI. All of these Boeing focus areas are supported, adopted and implemented by the directors of the Company.

The Company is also promoting diversity through Boeing Resource Groups which are focused on providing opportunities for employees to meet and collaborate such as BWIL (Boeing Women Inspiring Leadership) which is helping to foster positive outcomes for our female colleagues or BEPA (Boeing Employees Pride Alliance).

We offer an extensive range of professional development and career enhancing learning opportunities delivered internally within TBC and heavily subsidised training for learning opportunities with external education partners. Furthermore, our employees and their families have unlimited access to a confidential, independent employee assistance program, that offers the support of a professional who are trained to help with life's difficulties.

The Company has a continuing policy of giving disabled people full consideration for all job vacancies for which they offer themselves as suitable applicants. Wherever practical the Company maintains the employment of those employees who become disabled and offers appropriate training. In the UK, the Company meets the requirements of the Disability Discrimination Act 1995.

Boeing Commercial Aviation Services Europe Limited

Strategic report (continued)

Section 172(1) statement (continued)

- c. the need to foster the Company's business relationships with suppliers, customers and others,**

Suppliers

Our external supply chain and our inter-company suppliers are vital to our performance. We engage with them through performance reviews, face-to-face meetings and integrated project teams to build trusting relationships from which we can mutually benefit and to ensure they are performing to our standards and conducting business to our expectations.

The directors recognise that our suppliers who are classified as Small to Medium sized Enterprises (SME's) are often dependent on large organisations like Boeing to manage their cash flow, as a result the directors have been focused on maintaining prompt payment to all suppliers in accordance with the government's requirements to report on payment practices and performance.

We apply a structured and professional competitive process to all procurement activity.

Customers

The primary customer for the Company is The Boeing Company who through the Boeing Global Services business unit manage the external customer relationships and contracts. The company interfaces with end customers to provide the frontline services to airlines locally in the UK on behalf of The Boeing Company. The Company works closely with our internal business partners to ensure that the goods and services provided and performed by the Company are focused on meeting their needs to a high degree of quality, safety and productivity to support the ongoing success of their business and the impact to the end customer.

Others - Shareholders

The Company is 100% owned by The Boeing Company, the Directors work to ensure that Business Unit management have a strong understanding of our strategy, performance, ambition and culture. This is achieved through:

- regular reporting of financial performance;
- reviews by local and divisional management;
- representation at senior divisional and cross-geographical leadership teams; and
- delegation of authority.

Others - Governing bodies and regulators

We engage with national governments, agencies, key politicians and regulators to ensure that we can provide appropriate input on policy and ensure local engagement and investment. It is important to have regular dialogue with those that impact the regulations which can influence our business.

An example of this engagement is demonstrated through the announcement by former Scottish First Minister Nicola Sturgeon in October 2021 of The Newton Flight Academy at Glasgow Science Center. The new Boeing-supported academy will be a permanent classroom used to teach students aviation-related STEM (science, technology, engineering and math) concepts. Opened in spring of 2022, the academy has been made possible through funding from Boeing.

Boeing Commercial Aviation Services Europe Limited

Strategic report (continued)

Section 172(1) statement (continued)

d. the impact of the Company's operations on the community and the environment,

The directors recognise the importance of leading a company that not only generates value for shareholders but also contributes to wider society. We recognise that our operations have an impact on the environment – from the energy and resources we use, to the products we supply and the waste that we generate. As an organisation, TBC is committed to reducing the environmental impact of our operations and products, minimising our environmental footprint and, in turn, decreasing our operational costs.

Boeing recognises climate change is a fundamental global challenge, and as we enable people to move freely across the planet we recognise the need to reduce the impact of flying. We are reducing carbon emissions and using resources efficiently through innovative solutions across our product life cycle, in our factories and at work sites.

In addition Boeing's ecoDemonstrator program actively accelerates innovation by taking promising technologies out of the lab and testing them in the air to solve real-world challenges for airlines, passengers and the environment. The ecoDemonstrator aircraft made a visit to Glasgow ahead of the UN COP26 summit where world leaders came to the city to tackle climate issues.

<https://www.boeing.com/principles/environment/ecodemonstrator>

Boeing's Global Environment Report includes our Global 2025 Strategy for Environmental Leadership and metrics and targets for emissions, water and electricity consumption and waste reductions.

<https://www.boeing.com/principles/environment/report/index.page>

At a local level we are committed to building positive relations with the communities in which we operate. We support communities and groups, local and relevant to our operations, in a variety of ways including fundraising (some funds are eligible for company matched giving) and volunteering.

We form long-term strategic partnerships with national and regional charities, prioritising the needs of veterans and their families, workforce readiness development and STEM as well as nourishing local communities connected with individual company sites across the UK and Ireland. Each year Boeing invests with community partners, to support programmes, resourcing, initiatives and staff costs that make a real difference to the communities in which we live and work.

e. the desirability of the Company maintaining a reputation for high standards of business conduct

The Boeing Company recognises the importance of being a leader in business conduct, which enables us to maintain stakeholder trust, improve business success and instil confidence in our customers and end users in our products. The Boeing Company expects all employees to adhere to The Boeing Values.

<https://www.boeing.com/principles/values.page>

All employees of The Boeing Company and its affiliates are expected to act in accordance with the requirements of policies, including the Code of Conduct at all times. This reduces the risk of compliance failure and facilitates our talent management goals.

Detailed information on the Boeing group-wide business conduct processes and policies are described in The Boeing Company's Annual Report.

<https://investors.boeing.com/investors/financial-reports/default.aspx>

Boeing Commercial Aviation Services Europe Limited


Strategic report (continued)

Section 172(1) statement (continued)

- f. the need to act fairly as between members of the Company.

The Company only has one member, Boeing United Kingdom Limited. During the year there was no actual or potential conflict between the interests of its member and the Company

Approved by the Board and signed on its behalf by:

DocuSigned by:

BAF158999ADC401...

Nicola Welsh
Director
04 August 2023
25 Victoria Street, London, SW1H 0EX

Boeing Commercial Aviation Services Europe Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2022.

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 4 and form part of this report by cross-reference.

Going concern

The Company made a profit before tax of \$18,915,980 during 2022 (\$17,169,817 for the year ended 31 December 2021). The Company's net asset position at 31 December 2022 amounts to \$495,555,955 (\$487,572,758 at 31 December 2021) and cash balance to \$77,725,584 (\$83,512,437 at 31 December 2021). The continued support of TBC is imperative for the continuation of the business activities of the Company due to the significant intercompany revenues and cash flows from TBC.

As detailed above, the global economy is improving but continues to be impacted by global supply chain constraints, labour instability, the war in Ukraine and inflationary pressures, as well as the lingering effects of the COVID-19 pandemic. We continue to closely monitor the current and potential future economic impacts of these to the global economy, the aerospace sector, and the Company.

TBC has confirmed its continued support in writing which covers a period no less than 12 months from the date of approval of these financial statements. Based on the 2022 performance and financial year to date for 2023, current 2023 forecasts and business projections, our current best estimates of market demand, timing of cash receipts and expenditures, and our ability to rely on TBC for continued support, the directors are of the opinion that the Company will continue in operational existence, as a going concern, for the foreseeable future.

Streamlined Energy and Carbon Reporting (SECR)

In line with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, Boeing Commercial Aviation Services Europe Limited has implemented the government's policy on Streamlined Energy and Carbon Reporting (SECR).

Boeing Commercial Aviation Services Europe Limited can report the emission figures below, calculated using the UK government's emissions factor guidance. The report corresponds with our financial year and reflects emissions and consumption from the leased and controlled assets for which Boeing Commercial Aviation Services Europe Limited is responsible. This includes purchased or indirectly charged gas and electricity and business vehicle travel.

Emissions (tCO ₂ e)	2022	2021
Scope 1 - Vehicle	47	11
Scope 1 - Gas	438	488
Scope 2 - Electricity	107	228
Scope 3 – Upstream & Downstream	Not Reported	Not Reported
Total tCO ₂ e (Net)*	592	727
Total tCO ₂ e (Gross)	592	727

*Net emissions take into account emission reduction through renewable electricity provision

Boeing Commercial Aviation Services Europe Limited

Directors' report (continued)

Streamlined Energy and Carbon Reporting (SECR) (continued)

Energy Use (Millions kWh)	2022	2021
Scope 1 - Vehicle	0.19	0.04
Scope 1 - Gas	2.40	2.41
Scope 2 - Electricity	0.55	1.07
Scope 3 – Upstream & Downstream	Not Reported	Not Reported
Total (Millions kWh)	3.14	3.52

Intensity Measures	2022	2021
KG CO ₂ e per sqft from gas and electricity consumption	2.5	3.3
KG CO ₂ e per head generated from vehicle usage	129.6	32.7

Energy Efficiency Action

Boeing Commercial Aviation Services Europe Limited is committed to continually investing in the necessary resources to help achieve further carbon emission reduction. This includes being committed to achieving "Net Zero" Emissions by 2050 for Scope 1 & Scope 2 emissions, as well as relevant Scope 3 emission categories. The following actions were taken in 2022 to reduce carbon emissions:

- A sustainability council was formed which has supported the development of a Net Zero 2050 timeline and strategy.
- Electric vehicle charging points were available for staff to use free of charge at our Frimley office site.
- A flexible working programme is in place which increases the amount of home working, this is anticipated to reduce commuting related emissions.

Methodology

All of the emission sources required for large unquoted companies and large limited liability partnerships have been reported in line with UK Government guidance. The reporting period is the financial year starting January 2022, the same that is covered by the Annual Report and Financial Statements.

Emissions have been calculated using emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2022. Boeing has used internal financial reports and estimated costs per mile to calculate vehicle mileage figures for the purpose of being able to calculate kWh and tCO₂ e. Invoices, meter readings and financial reports have been used as data sources. Boeing is committed to continuous improvement of applicable methodologies, where possible.

Financial risk management objectives and policies

Details of the risks can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

Boeing Commercial Aviation Services Europe Limited

Directors' report (continued)

Employee engagement and stakeholder engagement

Details of the Company's employee and stakeholder engagement can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

Dividends

No interim dividend was paid and the directors recommend no final dividend for the period or to the date of signing (2021: \$nil).

Since year end there has been no further dividends declared.

Directors

The directors who served throughout the year and subsequently, except as noted, were as follows:

Sir M E Donnelly (resigned on 27 October 2022)
Dominic Allen (appointed on 20 July 2022)
Nicola Welsh
Maria Laine (appointed on 27 October 2022)
Mark Sisson (resigned on 27 April 2023)

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Auditor

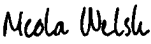
Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

DocuSigned by:

BAF158999ADC401...

Nicola Welsh
Director
04 August 2023

25 Victoria Street, London, SW1H 0EX

Boeing Commercial Aviation Services Europe Limited

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Boeing Commercial Aviation Services Europe Limited

Independent auditor's report to the member of Boeing Commercial Aviation Services Europe Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Boeing Commercial Aviation Services Europe Limited (the 'company'):

- 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 United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Boeing Commercial Aviation Services Europe Limited

Independent auditor's report to the member of Boeing Commercial Aviation Services Europe Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Boeing Commercial Aviation Services Europe Limited

Independent auditor's report to the member of Boeing Commercial Aviation Services Europe Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Boeing Commercial Aviation Services Europe Limited

Independent auditor's report to the member of Boeing Commercial Aviation Services Europe Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

Use of our report

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.



Mark Boxall FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Bristol, United Kingdom
4 August 2023

Boeing Commercial Aviation Services Europe Limited

Profit and loss account For the year ended 31 December 2022

	Note	2022 \$	2021 \$
Turnover	3	1,094,594,362	981,956,043
Cost of sales		(1,076,261,508)	(965,694,578)
Gross profit and operating profit		18,332,854	16,261,465
Net finance income / (expense)	4	16,954	(20,995)
Other non-operating income	5	821,224	929,347
Impairment of investment in subsidiary	10	(1,584,977)	-
Income from shares in group undertakings	10	1,329,925	-
Profit before taxation		18,915,980	17,169,817
Tax on profit	8	(12,016,563)	(6,335,492)
Profit for the financial year attributable to the equity shareholder of the Company		6,899,417	10,834,325

All results derive from continuing operations.

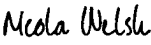
There have been no recognised gains and losses either in the current or the preceding year other than those shown above, and on this basis no separate statement of comprehensive income has been prepared.

Boeing Commercial Aviation Services Europe Limited

Balance sheet As at 31 December 2022

	Note	2022 \$	2021 \$
Fixed assets			
Investment in subsidiaries	10	-	1,584,977
Goodwill	11	-	-
Tangible assets	12	37,042,833	40,924,012
Current assets			
Inventory	13	266,773,419	233,279,011
Debtors	15	141,372,995	165,931,968
Cash at bank and in hand		77,725,584	83,512,437
		485,871,998	482,723,416
Creditors: amounts falling due within one year	16	(23,312,148)	(32,960,986)
Net current assets		462,113,520	449,762,430
Total assets less current liabilities		499,602,683	492,271,419
Creditors: amounts falling due after more than one year	16	(2,867)	(213,824)
Provisions for liabilities	17	(4,043,861)	(4,484,837)
Net assets		495,555,955	487,572,758
Capital and reserves			
Called up share capital	18	419,159,113	419,159,113
Profit and loss account		76,396,842	68,413,645
Total shareholder's funds		495,555,955	487,572,758

The financial statements of Boeing Commercial Aviation Services Europe Limited, registered number 08186759, were approved by the Board of Directors and authorised for issue on 04 August 2023. They were signed on its behalf by:

DocuSigned by:

 BAF158999ADC401...

Nicola Welsh
Director

Boeing Commercial Aviation Services Europe Limited

Statement of changes in equity As at 31 December 2022

	Note	Called up share capital \$	Profit and loss account \$	Total \$
At 1 January 2021		419,159,113	56,059,854	475,218,967
Credit relating to equity-settled share-based payments	9	-	1,644,898	1,644,898
Charge from parent for equity- settled share-based payment	9	-	(125,431)	(125,431)
Profit and total comprehensive income for the year		-	10,834,324	10,834,324
At 31 December 2021		419,159,113	68,413,645	487,572,758
Credit relating to equity-settled share-based payments	9	-	1,152,185	1,152,185
Charge from parent for equity- settled share-based payment	9	-	(68,405)	(68,405)
Profit and total comprehensive income for the year		-	6,899,417	6,899,417
At 31 December 2022		419,159,113	76,396,842	495,555,955

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

1 Accounting policies

The Company's principal accounting policies, which have been applied consistently in the current and preceding year, are summarised below.

a. General information and basis of accounting

Boeing Commercial Aviation Services Europe Limited (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be United States Dollars ("USD") because that is the currency in which the majority of the Company's cash flows are denominated. Management has therefore elected to present the Company's financial statements in USD. The company transacts predominantly in both USD and Pounds Sterling ("GBP"); transactions carried out in GBP are included in the financial statements after translation to the presentation currency in accordance with the policies set out below.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to the presentation of a cash flow statement, financial instruments, share-based payments, related party transactions and remuneration of key management personnel.

b. Consolidation exemption

The financial statements contain information about Boeing Commercial Aviation Services Europe Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt from the requirement to prepare consolidated financial statements, as it and its subsidiaries are included in the consolidated financial statements of its ultimate holding company, The Boeing Company, a company registered in the USA. Copies of the group consolidated accounts can be obtained from The Boeing Company, 100 North Riverside Plaza, Chicago, Illinois, 60606, USA.

c. Going concern

The Company's business activities, together with factors likely to affect its future development, performance and position, and assessment of financial risk management objectives and policies are set out within the Strategic and Directors' reports on pages 2 to 11.

The financial statements have been prepared on the going concern basis. The Company made a profit before tax of \$18,915,980 during 2022 (\$17,169,817 for the year ended 31 December 2021). The Company's net asset position at 31 December 2022 amounts to \$495,555,955 (\$487,572,758 at 31 December 2021) and cash balance to \$77,725,584 (\$83,512,437 at 31 December 2021).

As detailed above, the global economy is improving but continues to be impacted by global supply chain constraints, labour instability, the war in Ukraine and inflationary pressures, as well as the lingering effects of the COVID-19 pandemic. We continue to closely monitor the current and potential future economic impacts of these to the global economy, the aerospace sector, and the Company.

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

1 Accounting policies (continued)

c. Going Concern (continued)

The continued support of The Boeing Company ("TBC") is imperative for the continuation of the business activities of the Company. TBC has confirmed its continued support in writing which covers a period no less than 12 months from the date of the approval of these financial statements. Based on the 2022 performance and financial year to date for 2023, current 2023 forecasts and business projections, our current best estimates of market demand, timing of cash receipts and expenditures, and our ability to rely on TBC for continued support, the Directors are of the opinion that the Company will continue in operational existence, as a going concern, for the foreseeable future.

d. Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible assets, other than freehold land and construction in progress assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Land and Buildings	25 years life, 150% declining balance with straight-line switch after a third of its life
Leasehold improvements	Straight-line over the period of the lease
Furniture and fixtures	3 - 7 years - Sum of digits and straight line
Toolings	2 years - Sum of digits

Construction in progress assets are stated at cost. These assets are not depreciated until they are available for use.

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

e. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value unless the arrangement constitutes a financing transaction.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of transaction costs.

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

1 Accounting policies (continued)

f. Investments

Investments in subsidiaries are stated at cost less any provision for impairment, as described in note 2.

g. Inventory

Inventory is stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

h. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

i. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

1 Accounting policies (continued)

i. Taxation (continued)

Deferred tax is recognised in respect of 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 more 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 the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

j. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover includes revenue earned from the sale of goods and from the rendering of services.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration, and is recorded at the fair value of the consideration received or receivable based on the agreement with the customer.

k. Employee benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

1 Accounting policies (continued)

l. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Exchange differences are recognised in profit or loss in the period in which they arise.

m. Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

n. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

o. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

p. Share-based payments

The Company provides various forms of share-based compensation to its employees. For awards settled in shares, compensation expense is measured based on the grant-date fair value net of estimated forfeitures. For awards settled in cash, or that may be settled in cash, compensation expense is measured based on the fair value at each reporting date net of estimated forfeitures. The expense is recognized over the requisite service period, which is generally the vesting period of the award. A liability is recognised at the current fair value determined at each balance sheet date for cash-settled share-based payments with any changes recognised in profit or loss. For equity-settled share-based payments the corresponding credit is recognised in retained earnings as a component of equity. Where the Company is charged for the cost of share-based payment arrangements, the amounts are treated as a reduction in the capital contribution. If the amount charged is in excess of the share-based payment charge, the Company treats the excess as a notional distribution and charges this to retained earnings.

q. Dividends

Intercompany dividends received from subsidiaries are recognised in the profit and loss account at the date they are received in the Company's bank account.

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

1 Accounting policies (continued)

r. Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

On acquisition of a business, fair values are attributed to the identifiable assets and liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Company's interest in the identifiable net assets and liabilities acquired.

Goodwill is amortised over the shorter of its expected useful life and the contractual period. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

s. Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Management does not believe there are any critical accounting judgements or key source of estimation uncertainty.

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

3 Turnover

An analysis of the Company's turnover by geographical market is set out below:

	2022	2021
	\$	\$
Turnover:		
Asia	5,164,730	5,028,432
Europe	65,239,514	83,191,490
Middle East and Africa	1,301,470	18,018,101
North America	1,022,888,648	875,718,020
	1,094,594,362	981,956,043

An analysis of the Company's turnover by category is as follows:

	2022	2021
	\$	\$
Sale of goods to related parties	978,333,662	868,943,949
Rendering of services to external parties	22,282,228	11,393,815
Rendering of services to related parties	93,978,472	101,618,279
	1,094,594,362	981,956,043

4 Net finance income / (expense)

	2022	2021
	\$	\$
Bank interest receivable	466,478	18,821
Total finance income	466,478	18,821
Other interest payable	(412,663)	-
Unwinding of discounts on provisions (see note 17)	(36,861)	(39,816)
Total finance expense	(449,524)	(39,816)
Net finance income / (expense)	16,954	(20,995)

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

5 Profit before taxation

	2022	2021
	\$	\$
Profit before taxation is stated after charging:		
Inventories recognised as an expense during the year	978,333,662	868,943,949
Depreciation – owned assets	5,401,491	6,284,038
Rentals under operating leases:		
– land and buildings	3,068,510	2,693,701
Other non-operating income - UK government coronavirus job retention scheme grant income	-	(473,927)
Auditor's remuneration – audit fees for the audit of the financial statements	160,518	156,330
(No non-audit fees were provided to the auditors in either year)		

6 Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2022	2021
	No.	No.
Management and executives	28	23
Professional and administrative staff	270	252
	298	275

Their aggregate remuneration comprised:

	2022	2021
	\$	\$
Wages and salaries	24,125,666	21,122,220
Social security costs	2,885,753	2,443,484
Other pension costs	1,576,729	1,584,016
	28,588,148	25,149,720

The Company operates a defined contribution pension scheme. The total cost charged to profit and loss for the year was \$1,576,729 (2021: \$1,584,016).

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

7 Directors' remuneration and transactions

One of the directors received remuneration from the Company in respect of services rendered to the Company.

The number of directors for whom pension contributions are paid is: one (2021: one).

	2022	2021
	\$	\$
Directors' remuneration		
Aggregate emoluments	337,020	812,095
Contributions to defined contribution pension schemes	14,820	10,949
	351,840	823,044

	2022	2021
	\$	\$
Highest paid director		
Aggregate emoluments	337,020	409,213
Contributions to defined contribution pension schemes	14,820	10,949
	351,840	420,162

Included within aggregate emoluments is \$nil (2021: nil) relating to long-term incentive plans.

Directors' emoluments are allocated based on services provided to the Company. Four of the directors listed on page 11 are remunerated by other companies within the Boeing Group.

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

8 Tax on profit

	2022	2021
	\$	\$
Analysis of tax charge in the year		
Current tax on profit on ordinary activities		
UK corporation tax	4,358,240	4,176,008
Adjustments in respect of prior periods	7,797,082	4,035,745
Total current tax	12,155,322	8,211,573
Deferred tax		
Origination and reversal of timing differences	(240,210)	(351,691)
Adjustments in respect of prior periods	177,308	27,477
Effect of changes in tax rate	(75,857)	(1,552,047)
Total deferred tax (see note 14)	(138,759)	(1,876,261)
Total tax on profit on ordinary activities	12,016,563	6,335,492

The UK Government has previously announced that the UK corporation tax rate will remain at 19% until 1 April 2023, when the UK corporation tax rate increased to 25%. The closing deferred tax asset as at 31 December 2022 has been calculated at a mix of 19% and 25% reflecting the tax rates at which the deferred tax asset is expected to be utilised in future periods.

The tax charge for the period differs from the standard rate of corporation tax in the UK of 19% for the reasons set out in the following reconciliation:

	2022	2021
	\$	\$
Profit on ordinary activities before tax	18,915,980	17,169,817
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2021: 19%)	3,594,036	3,262,265
Factors affecting tax charge for the year:		
Expenses not deductible for tax purposes	776,680	456,640
Income not taxable	(252,686)	-
Prior period adjustments	7,974,390	4,063,222
Tax rate changes	(75,857)	(1,446,635)
Total tax charge for the year	12,016,563	6,335,492

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

9 Share-based payments

The Company issues cash-settled and equity-settled share-based payments to certain employees, as part of the long term incentive programme. The cash-settled arrangements require the Company to pay in cash the intrinsic value of these share based payments to the employee at the date of exercise. The equity-settled arrangements require TBC to settle in common stock (on a one-for-one basis) the intrinsic value of these share based payments to the employee at the date of exercise.

The Company recorded total expenses in the year of \$1,152,185 (2021: \$1,641,828). \$1,152,185 (2021: \$1,644,898) was recognised in equity in relation to the equity-settled arrangements as shown in the Statement of Changes in Equity. The carrying value of the associated liability was \$nil (2021: \$nil). On vesting of the shares, the Company is charged an amount up to vest price by TBC.

The Company has two arrangements of share-based payments, which are the Restricted Stock Units (RSU) and the Performance-based Restricted Stock Units (PBRSU).

Restricted Stock Units

RSUs are valued based on Boeing stock. For RSUs granted prior to 2019, stock is not issued at the time the award is granted or at the end of the performance period. The RSUs are paid out in cash by the local country entity. RSUs granted in 2019 will vest and settle in TBC common stock (on a one-for-one basis). The target RSU value granted is calculated based on a percentage of prior December 31 annual base salary in local currency. The number of RSUs awarded is fixed on the grant date but earn dividend equivalents.

The RSUs have time-based vesting only, and are 100% vested after the three year performance period. If an employee terminates employment because of retirement, death, disability or involuntary layoff, the employee (or beneficiary) will receive a proration of stock units based on active employment during the three-year service period.

Performance-based Restricted Stock Units

PBRsUs are valued in terms of Boeing stock. For PBRsUs granted prior to 2019, stock is not issued at the time the award is granted or at the end of the performance period. The PBRsUs are paid out in cash by the local country entity. PBRsUs granted in 2019 will vest and settle in TBC common stock. The annual target PBRsU value granted is calculated based on a percentage of prior December 31 base salary in local currency. The number of PBRsUs awarded is fixed on the grant date but earn dividend equivalents.

PBRsUs are restricted stock units that vest based on the achievement of relative Total Shareholder Return (TSR) over the three year performance period, as measured against the performance of a peer group of companies, along with a three year service requirement for vesting unless service ends earlier due to retirement, death, disability or involuntary layoff

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

10 Investment in Subsidiary

Cost	\$
At 31 December 2021 and 2022	35,268,682
Impairment	
At 1 January 2022	33,683,705
Impairment	1,584,977
At 31 December 2022	35,268,682
Net book value	
At 31 December 2022	-
At 31 December 2021	1,584,977

The Company has investments in the following subsidiary undertakings:

	Principal activity	Country of incorporation	Registered office address	Holding	%
Boeing Technical Services UK Limited	Technical publications, Engineering services, and Creation of e-learning and software solutions	United Kingdom	1st Floor Building 1 Albany Place Welwyn Garden City AL7 3BG	Ordinary shares	100%

The investments in subsidiaries are stated at cost less impairment.

Since 31 December 2020, BTS is no longer considered a going concern and the intention is to voluntarily liquidate the entity. That liquidation is currently in progress, with the expectation being that BTS will be liquidated in the near future. On 18 August 2022, the Board of Directors of BTSUKL approved the declaration and payment of a dividend to BCASEL of \$1,329,925 (£1,240,197). The remaining investment value held in BCASEL was then written down to \$nil. BTS has now been fully impaired.

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

11 Goodwill

Goodwill arose on the transfer of Boeing Technical Services UK Limited's trade and assets into BCASEL in 2020. The transaction price was \$35,268,682 (£26,909,306). The net assets acquired were \$15,910,010 which generated goodwill of \$19,358,672.

As there is no change in the common group of companies, the goodwill was immediately impaired.

	Goodwill
Cost	\$
At 31 December 2021 and 2022	19,358,672
<hr/>	
Accumulated amortization	
At 31 December 2021 and 2022	19,358,672
<hr/>	
Net book value	
At 31 December 2021 and 2022	-
<hr/>	

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

12 Tangible fixed assets

	Land and buildings \$	Leasehold improvements \$	Furniture and fittings \$	Construction in progress \$	Tooling \$	Total \$
Cost						
At 1 January 2022	79,537,007	4,069,465	1,877,206	-	10,532,955	96,016,633
Additions	-	-	-	1,520,312	-	1,520,312
Transfers	-	-	326,480	(672,699)	346,219	-
At 31 December 2022	79,537,007	4,069,465	2,203,686	847,613	10,879,174	97,536,945
Accumulated depreciation						
At 1 January 2022	48,853,073	1,312,743	1,393,671	-	3,533,134	55,092,621
Charge for the year	1,841,329	340,626	259,443	-	2,960,093	5,401,491
At 31 December 2022	50,694,402	1,653,369	1,653,114	-	6,493,227	60,494,112
Net book value:						
At 31 December 2022	28,842,605	2,416,096	550,572	847,613	4,385,947	37,042,833
At 31 December 2021	30,683,934	2,756,722	483,535	-	6,999,821	40,924,012

Land and buildings are all freehold.

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

13 Inventory

	2022	2021
	\$	\$
Goods for resale on-hand at year end	266,773,419	233,279,011

14 Deferred taxation

	2022	2021
	\$	\$
Movement on deferred tax asset in the year		
Opening balance	6,466,862	4,590,600
Adjustment in respect of prior year (see note 8)	(177,308)	(27,477)
Movement to the profit and loss account (see note 8)	316,067	1,903,739
Closing asset (note 15)	6,605,621	6,466,862

	2022	2021
	\$	\$
Deferred tax is provided as follows:		
Other short term timing differences	1,729,040	1,514,859
Depreciation in excess of capital allowances	4,876,581	4,952,003
Closing asset	6,605,621	6,466,862

During the year beginning 1 January 2023, the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge for the year by \$75,854 (2021: \$62,118). This primarily relates to timing differences on acquired tangible assets and capital allowances through depreciation and utilisation of reserves.

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

15 Debtors

	2022	2021
	\$	\$
Amounts falling due within one year:		
Amounts due from other group undertakings	21,414,838	41,714,175
Amounts due from ultimate parent	31,320,202	67,322,658
Trade receivables	11,651,552	6,645,318
Corporation tax recoverable	4,108,037	461,887
Deferred tax asset (note 14)	6,605,621	6,466,862
Value added taxation recoverable	65,345,694	41,979,452
Prepayments and accrued income	792,836	986,994
	141,238,780	165,577,346
Amounts falling due greater than one year:		
Security deposits	134,215	354,622
	141,372,995	165,931,968

Trade receivables are after impairment provision for recoverability of a debtor of \$422,986 (2021: \$15,836,306).

All intercompany debtors are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

16 Creditors: amounts falling due within one year

	2022	2021
	\$	\$
Amount due to parent company	1,029,041	110,907
Amount due to other group undertakings	10,143,224	22,644,433
Trade payables	1,366,784	1,264,626
Lease liability	2,850,583	3,174,664
Taxation and social security	727,384	687,723
Other payroll liabilities	4,503,875	3,097,707
Other accruals	2,691,257	1,980,926
	23,312,148	32,960,986
Amounts falling due greater than one year		
Taxation and social security	2,867	213,824
	23,315,015	33,174,810

All intercompany creditors are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

17 Provisions for liabilities

	Dilapidations \$
At 1 January 2022	4,484,837
Charged to the profit and loss account (see note 4)	36,861
Foreign exchange movement	(477,837)
At 31 December 2022	4,043,861

The above provision relates in full to dilapidation provisions related to leasehold properties.

The expected timing of payments arising from this provision is \$969,695 within 1 year, \$nil between one and five years and \$3,074,166 after 5 years.

18 Called up share capital and reserves

	2022 \$	2021 \$
Called up, allotted and fully paid		
316,614,404 ordinary shares of £1 each	419,159,113	419,159,113

The Company's other reserves are as follows:

The profit and loss reserve represent cumulative profits or losses, net of dividends paid and other adjustments.

19 Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings 2022 \$	Land and buildings 2021 \$
Within one year	2,272,916	2,612,640
Between one and five years	6,778,890	7,747,905
After five years	31,568,685	32,393,575
	40,620,491	42,754,120

The Company holds a bank guarantee facility of \$72,414,000 (£60,000,000) (2021: \$81,045,000 (£60,000,000)).

Boeing Commercial Aviation Services Europe Limited

Notes to the financial statements

20 Events subsequent to balance sheet date

There were no events after the balance sheet date that require disclosure or adjustment in these financial statements.

21 Ultimate parent company and controlling party

The immediate parent company of the smallest group into which the Company's results are consolidated is Boeing United Kingdom Limited, a company registered in the United Kingdom. Copies of the company accounts can be obtained from the registered address of BUKL: 25 Victoria Street, London, SW1H 0EX, UK.

The ultimate parent company, controlling party and parent of the largest group into which the company's results are consolidated is The Boeing Company, a company incorporated in the State of Delaware, USA. Copies of the group consolidated accounts can be obtained from the registered address of The Boeing Company: 100 North Riverside Plaza, Chicago, Illinois, 60606, USA.