

COMPANY REGISTRATION NUMBER: 07687780

AMENTUM (UK) AIRCRAFT LEASING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2018

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AMENTUM (UK) AIRCRAFT LEASING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

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AMENTUM (UK) AIRCRAFT LEASING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

Company information

Company number 07687780 (England and Wales)

The Board of directors Simon Woodward Clements (resigned 25 January 2018)
Rupert Leggett (appointed 25 January 2018)
Stephen William Spencer Norton
Joint Corporate Services Limited

**Company secretary
and Registered office** TMF Corporate Administration Services Limited
8th Floor
20 Farringdon Street
London, EC4A 4AB
United Kingdom

Auditor FKCA Limited
Prospero House
46 - 48 Rothesay Road
Luton
Bedfordshire
LU1 1QZ

AMENTUM (UK) AIRCRAFT LEASING LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2018

The directors present their report on the affairs of Amentum (UK) Aircraft Leasing Limited (the 'Company') together with the audited financial statements for the period ended 31 December 2018.

Principal activities and business review

The principal activity of the Company is the lease of aircraft from its parent company, Amentum Aircraft Leasing No. One Limited, a company incorporated in Ireland, and the sub-lease of those aircraft to airlines. The Company's activities during the period were to maintain operating lease agreements with its customers. All leases are on a "net basis" with the lessee responsible for all operating costs and expenses.

At the end of the reporting date the Company had two aircraft leased to an airline in Greece.

Directors

The directors who served the Company during the period and to the date of approval of these financial statements were as follows:

Rupert Leggett (appointed 25 January 2018)
Stephen William Spencer Norton
Joint Corporate Services Limited
Simon Clements (resigned 25 January 2018)

Future developments

The level of business and the period end financial position at 31 December 2018 were satisfactory, however due to the pending sales of aircraft 3316 and 3162 and the likelihood of the company being struck off the directors will expect to see a winding down of the operations in the foreseeable future.

Results and dividends

The directors are satisfied with the results of operations of the Company for the current period and expect the Company will continue as a going concern for the foreseeable future.

The results for the year are set out on page 8. The profit generated by the Company during the year is USD 22,225 (2017: USD 23,439). No dividends were paid by the Company during the year or post statement of financial positions date.

Going concern

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements. The directors expect that the Company will be liquidated during 2019, therefore they have determined that the financial statements should be prepared on a basis other than going concern, and that all appropriate adjustments have been made as a result of this decision, and therefore believe this is the basis to be appropriate.

Key Performance Indicators

The Company has two aircrafts on back to back lease at an overall rental margin of 1.6% (2017: 1.7%) per month for both aircrafts. Out of the generated revenue, the Company pays administrative expenses leaving a small profit margin. Considering the nature of the Company's activities, the directors do not consider necessary the use of key performance indicators to judge the Company's performance.

Financial risk management

The most significant risks facing the Company are credit risk, liquidity risk, technical, maintenance and environmental risks and public liability risk. The Company is not exposed to other financial risks such as price risk due to the nature of its operations. The Company mitigates its exposure to foreign exchange risk by carrying out all transactions (where possible) in US Dollars.

AMENTUM (UK) AIRCRAFT LEASING LIMITED
DIRECTORS' REPORT (continued)
YEAR ENDED 31 DECEMBER 2018

Financial risk management (continued)

Foreign currency risk

All material balances in the Company's assets and liabilities are denominated in US Dollar which is the Company's functional and presentation currency and therefore there is no significant foreign currency risk. The Company is exposed to foreign exchange risk because the functional currency differs from the currency used for administrative transactions. The risk is however very minimal.

Credit risk

In the event of a default by a lessee, the Company will suffer a lease rent income shortfall and may incur additional costs, including legal expenses and insurance costs, and would have to re-market the aircraft.

The Company currently transacts its business with one customer located in Greece. The Company mitigates its credit risk in conjunction with AAL No.1 under the servicing agreement, by continuous monitoring and evaluation of lessor options under the lease.

Under the terms of the head lease agreement the Company has the benefit of limited recourse, therefore the amounts payable under the head lease are only payable to the extent that they are received under the relevant sublease. Thus credit risk is mitigated.

The Company's cash and cash equivalents are held with, which was rated by Moody's Investor Service's as Baa3 at year end (2017: Baa3).

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

Management of liquidity risk is achieved by monitoring actual and forecasted cash flows.

Financial risk management objectives and policies

The objective of the Company's capital management is to ensure strong capital ratios. This will ensure that the business is correctly supported and shareholder value is maximised. The Company's capital is comprised of issued share capital and retained earnings.

The Company manages its capital structure through adjustments dependent on economic conditions. In order to maintain or adjust the capital structure, the Company may choose to change or amend dividend payments or issue new share capital to its shareholder. There were no changes to the objectives, policies or processes during the period ended 31 December 2018.

Technical, maintenance and environment risks

The lessee undertakes the responsibility for ensuring that the aircraft complies with current environmental, technical and maintenance regulations and statutory obligations where necessary. The directors monitor these risks in conjunction with AAL No.1 under a servicing agreement.

Public liability risk

The lessee is responsible for ensuring that the aircraft has adequate insurance cover.

Directors' qualifying third party indemnity provisions

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to conditions set out in S.234 of the Companies Act 2006, and as outlined in the Company's Articles of Association. Such qualifying third party indemnity provision remains in force at the date of approving the directors' report.

AMENTUM (UK) AIRCRAFT LEASING LIMITED
DIRECTORS' REPORT (continued)
YEAR ENDED 31 DECEMBER 2018

Political donations

During the year ended 31 December 2018 the Company made no political donations or incurred any political expenditure.

Statement on disclosure of information to Auditors

Each of the directors in office as at the date of this report confirms that:

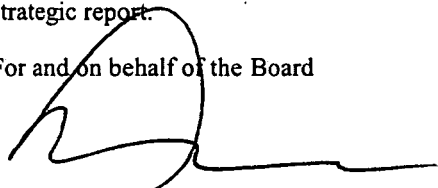
- as far as they are aware there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Company's auditors are unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, FKCA Limited, will be proposed for re-appointment at the forthcoming meeting of the Board.

The directors have taken advantage of the small companies exemption under section 414B in relation to preparation of a strategic report.

For and on behalf of the Board



Joint Corporate Services Limited
Director

24.9.19

AMENTUM (UK) AIRCRAFT LEASING LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2018

Statement of directors' responsibilities

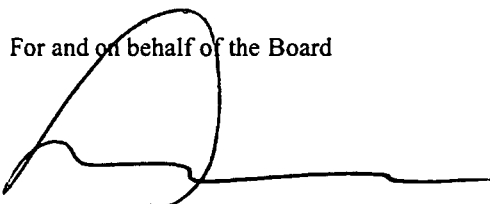
The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are also required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

For and on behalf of the Board



Joint Corporate Services Limited
Director

24.9.18

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
AMENTUM (UK) AIRCRAFT LEASING LIMITED
YEAR ENDED 31 DECEMBER 2018**

Opinion on financial statements

We have audited the financial statements of Amentum (UK) Aircraft Leasing Limited for the year ended 31 December 2018 on pages 8 to 19. 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). In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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

We draw attention to Note 1 in the financial statements, which indicates that Amentum (UK) Aircraft Leasing Limited expect the company to be liquidated during 2019. This event indicates that the company is not a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. 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.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
AMENTUM (UK) AIRCRAFT LEASING LIMITED (continued)
YEAR ENDED 31 DECEMBER 2018**

Opinion on other matter 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities set out on page 5, 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 auditors' 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.



Tara Aldwin ACA (Senior Statutory Auditor)

for and on behalf of FKCA Limited
Statutory Auditor
Prospero House
46-48 Rothesay Road
Luton
Bedfordshire
LU1 1QZ

Date:

25 September 2019

AMENTUM (UK) AIRCRAFT LEASING LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2018

	Note	2018 USD	2017 USD
Turnover	3	4,579,510	4,728,000
Cost of sales		<u>(4,507,583)</u>	<u>(4,654,380)</u>
GROSS PROFIT		71,927	73,620
Maintenance income		3,965,764	4,040,089
Maintenance expenditure		(3,965,764)	(4,040,089)
Administration expenses	4	<u>(41,311)</u>	<u>(42,037)</u>
OPERATING PROFIT		30,616	31,583
Foreign exchange loss	5	<u>367</u>	<u>(2,557)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		30,983	29,026
Tax on profit on ordinary activities	6	(5,887)	(5,588)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>25,096</u>	<u>23,438</u>

The statement of comprehensive income has been prepared on the basis that all operations are discontinuing operations

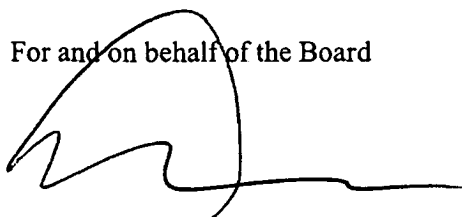
The notes on pages 12 to 18 are an integral part of these financial statements.

AMENTUM (UK) AIRCRAFT LEASING LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 USD	2017 USD
NON CURRENT ASSETS			
Intercompany Debtors: amounts due after one year	8	-	800,000
CURRENT ASSETS			
Debtors	9	748,999	1,074,992
Cash	10	463,263	888,341
Intercompany account balances	16	145,395	145,395
Intercompany Debtors: amounts due within one year	8	785,981	-
		<u>2,143,638</u>	<u>2,108,728</u>
CREDITORS: amount falling due within one year	11	<u>1,926,362</u>	<u>1,916,548</u>
NET CURRENT ASSETS		<u>217,276</u>	<u>192,180</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>217,276</u>	<u>992,180</u>
CREDITORS: amounts falling due after one year	12	-	800,000
NET ASSETS		<u>217,276</u>	<u>192,180</u>
EQUITY			
CAPITAL AND RESERVES			
Called up share capital	13	161	161
Retained earnings		<u>217,115</u>	<u>192,019</u>
TOTAL EQUITY		<u>217,276</u>	<u>192,180</u>

The notes on pages 12 to 18 are an integral part of these financial statements.

For and on behalf of the Board



Joint Corporate Services Limited
Director

24.9.18

Company registration number: 07687780

AMENTUM (UK) AIRCRAFT LEASING LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2018

	Share capital	Retained earnings	Total
	USD	USD	USD
BALANCE AS AT 1 JANUARY 2017	161	168,581	168,742
Profit for the year and total comprehensive income	-	23,438	23,438
BALANCE AS AT 31 DECEMBER 2017	161	192,019	192,180
BALANCE AS AT 1 JANUARY 2018	161	192,019	192,180
Profit for the year and total comprehensive income	-	25,096	25,096
BALANCE AS AT 31 DECEMBER 2018	161	217,115	217,276

The total amount attributable to owners of the parent is \$217,276.

The notes on pages 12 to 18 are an integral part of these financial statements.

AMENTUM (UK) AIRCRAFT LEASING LIMITED
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2018

	2018	2017
	USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	30,983	29,026
Income tax paid	(9,895)	(672)
	<u>21,088</u>	<u>28,354</u>
CHANGES IN WORKING CAPITAL		
(Increase) in lease receivables and prepaid expenditure	325,993	(23,364)
Increase in trade and other payables	13,822	14,902
	<u>339,815</u>	<u>(8,462)</u>
NET CASH GENERATED FROM OPERATIONS	<u>360,903</u>	<u>19,892</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	360,903	19,892
Cash and cash equivalents at the beginning of the year	888,341	868,449
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>1,249,244</u></u>	<u><u>888,341</u></u>

The notes on pages 12 to 18 are an integral part of these financial statements.

AMENTUM (UK) AIRCRAFT LEASING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

1 GENERAL INFORMATION

Introduction

The Company is a private company limited by shares registered in England and Wales. The address of the registered office is 5th Floor, 6 St Andrew Street, London, EC4A 3AE, UK. The Company is domiciled in England and is a wholly-owned subsidiary of AAL No.1, a company incorporated in the Republic of Ireland. The Company leases flight equipment under operating leases to airlines.

Going Concern

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements. The directors expect that the Company will be liquidated during 2019, therefore they have determined that the financial statements should be prepared on a basis other than going concern, and that all appropriate adjustments have been made as a result of this decision, and therefore believe this is the basis to be appropriate.

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The Company has not taken advantage of any disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

2 PRINCIPAL ACCOUNTING POLICIES

In the process of applying the entity's accounting policies, management makes various judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

The following policies have been adopted throughout the reporting period:

Lease

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date i.e. whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Revenue recognition

Revenue arises from lease rental income, other aircraft leasing activities and bank interest. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business net of discounts.

Lease rental income from operating leases is recognised in income on a straight-line basis from the date of delivery of aircraft to the end of the lease term. Rental income received but unearned, under the lease agreement, will be recorded in rentals received in advance in the statement of financial position until earned if and when applicable.

AMENTUM (UK) AIRCRAFT LEASING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2018

2 PRINCIPAL ACCOUNTING POLICIES (continued)

Cost of sales

The rental expenses paid under an operating lease are recorded on a straight-line basis over the lease term.

Foreign currencies

The functional and reporting currency of the Company is the US Dollar (USD). Share capital of the Company was raised in Sterling and is translated at the historical rate to USD. Any amounts paid for expenses in a currency other than USD, are translated into USD on the date of invoice from the supplier and retranslated on the date of payment. Any amounts outstanding at the statement of financial position date are translated to USD at the closing rate at the statement of financial position date. Foreign exchange rate differences are expensed in the statement of comprehensive income.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in trade and other debtors, cash and cash equivalents, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Bank charges

Bank charges are recognised in the period in which they occur.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

AMENTUM (UK) AIRCRAFT LEASING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2018

2 PRINCIPAL ACCOUNTING POLICIES (continued)

Income tax

Taxation expense represents the aggregate amount of current tax and deferred tax recognised in the reporting period.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date being 19% for 2018 (19.25% for 2017).

A deferred tax asset or liability is recognised for tax recoverable or payable in future periods in respect of transactions and events recognised in the financial statements of current and previous periods.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Timing differences result from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date apart from certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Maintenance

Under all lease contracts the lessee has the obligation to pay for maintenance costs on airframes, engines and other major life-limited components which arise during the term of the lease. In certain cases the lessee may have the obligation to pay supplemental rent based on usage. The usage may be calculated based on hourly usage or on the number of cycles operated, depending on the lease contract. The lessee is reimbursed for any qualifying maintenance costs on the aircraft upon presentation of such invoices.

3 LEASE REVENUE

All income is derived from aircraft leasing activities, net of amortisation of lease incentives.

4 ADMINISTRATIVE EXPENSES

	2018	2017
	USD	USD
Auditor's remuneration	6,031	5,464
Professional fees	33,117	33,029
Bank charges	2,163	3,543
Total administrative expenses	41,311	42,036

AMENTUM (UK) AIRCRAFT LEASING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2018

5 OTHER LOSSES

	2018	2017
	USD	USD
Foreign exchange	<u>(367)</u>	<u>2,557</u>

6 INCOME TAX EXPENSE

	2018	2017
	USD	USD
Current tax		
Current tax on profits for the period	5,887	5,588
Deferred tax	-	-
Income tax charge for the period	<u>5,887</u>	<u>5,588</u>

Reconciliation

Profit before income tax	<u>30,983</u>	<u>29,026</u>
UK corporation tax at the effective rate of 19% (2017: 19.25%)	5,887	5,588
<i>Adjust for tax effect of:</i>		
Capital allowances in excess of depreciation		
Deferred tax charge for the period		
Under-provision in respect of prior year	-	-
Tax expense for the period	<u>5,887</u>	<u>5,588</u>

Tax rates

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) was substantively enacted on 26 October 2015. This will reduce the Company's future tax charge accordingly.

7 PARTICULARS OF EMPLOYEES

The Company had no employees for the period ended 31 December 2018, therefore, no salaries or wages were paid or were payable to employees. Management and support services are provided to the Company by AAL No.1 and TMF.

No remuneration was paid or is payable by the Company to the directors. Other than Stephen William Spencer Norton and Joint Corporate Services Limited, the directors are employed by other companies in the Amentum group and consider their services to this company as incidental to their other activities within the group.

Fees payable to TMF, as disclosed in note 16, include a fee for directors' services.

8 INTERCOMPANY DEBTORS: amount due in greater than one year

	2018	2017
	USD	USD
Security deposit	<u>0</u>	<u>800,000</u>

8 INTERCOMPANY DEBTORS: amount due within one year

	2018	2017
	USD	USD
Security deposit	<u>785,981</u>	<u>-</u>

In accordance with the sublease agreement as variously amended from time to time between the Company and Aegean Airlines S.A. ('the Lessee'), the Lessee has an obligation to provide to Amentum (UK) Aircraft Leasing Limited ('the Lessor') a cash security deposit in the amount of USD 785,981 as security for the due and punctual performance of the Relevant Obligations. In accordance with the sublease agreement under clause 5.1 The Commitment Fee for the fourth extended term the Lessor shall refund to the Lessee \$14,000 per aircraft, reducing the security deposit to \$785,981. The security deposit is currently held by Amentum Aircraft Leasing No. One Limited.

The security deposit amount shall be returned to the Lessee thirty (30) days after the Lease Termination Date subject to Lessee having unconditionally and irrevocably discharged all the relevant obligations.

AMENTUM (UK) AIRCRAFT LEASING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2018

9 DEBTORS

	2018	2017
	USD	USD
Rental income receivable	(7,310)	388,135
Deferred expense	374,000	379,107
Accrued maintenance reserves receivable	359,464	293,103
Prepayments	4,955	4,865
VAT receivable	17,890	9,782
	<u>748,999</u>	<u>1,074,992</u>

10 CASH AND CASH EQUIVALENTS

	2018	2017
	USD	USD
Cash at bank	<u>463,263</u>	<u>888,341</u>

11 CREDITORS: amount falling due within one year

	2018	2017
	USD	USD
Trade payables	367,473	1,196,139
Deferred rental income	395,738	404,092
Accrued maintenance and rental expense	370,979	306,118
Current income tax liabilities	6,191	10,199
Security Deposit	785,981	-
	<u>1,926,362</u>	<u>1,916,548</u>

12 CREDITORS: amount falling due after more than one year

	2018	2017
	USD	USD
Security deposit	<u>-</u>	<u>800,000</u>

In accordance with the sublease agreement as variously amended from time to time between the Company and Aegean Airlines S.A. ('the Lessee'), the Lessee has an obligation to provide to Amentum (UK) Aircraft Leasing Limited ('the Lessor') a cash security deposit in the amount of USD 785,981 as security for the due and punctual performance of the Relevant Obligations. In accordance with the sublease agreement under clause 5.1 The Commitment Fee for the fourth extended term the Lessor shall refund to the Lessee \$14,000 per aircraft, reducing the security deposit to \$785,981. The security deposit is currently held by Amentum Aircraft Leasing No. One Limited.

AMENTUM (UK) AIRCRAFT LEASING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2018

13 SHARE CAPITAL

	2018	2017
	USD	USD
Allotted, issued and fully paid:		
100 ordinary shares of £1.00 each (\$USD 161)	<u>161</u>	<u>161</u>

The shares were issued at the date of incorporation at par.

14 FINANCIAL INSTRUMENTS

The directors have recognised the following risks within the business:

Credit risk

Credit risk arises from the possibility of counterparties failing to meet their contractual obligations to the Company and represents the most significant category of risk. The Company's ability to generate lease rental revenues over the life of the lease agreement and recover the rentals as and when they fall due is dependent on the financial strength of the lessee. The lessee operates in a competitive and volatile market and performance is based on its ability to react and cope with the market conditions. If the lessee experiences financial difficulties, it may result in defaults or the early termination of the lease. The Company mitigates credit risk by ensuring that the lessees are creditworthy. There are no financial assets that are past due or impaired.

Under the terms of the head lease agreement the Company has the benefit of limited recourse, therefore the amounts payable under the head lease are only payable to the extent that they are received under the sublease. Thus credit risk is mitigated.

The Company's cash and cash equivalents are held with Bank of Ireland, which was rated by Moody's Investor Service's as Baa3 at year end (2017: Baa3).

Liquidity risk

The Company is exposed to liquidity risk on its operations. This risk is mitigated by ensuring as far as possible that the cash inflows and cash outflows are offset.

Capital risk management

The Company manages its capital to ensure that it is able to continue as a going concern. The Company is not subject to externally imposed capital requirements. There were no changes to the policies and procedures during the period with respect to the Company's approach to its capital management program.

15 OPERATING LEASE COMMITMENTS

Under the lease agreement the operating lease arises from the transactions in respect of the rental income from Aegean Airlines S.A ('the Lessee') to Amentum (UK) Aircraft Leasing Limited ('the Lessor').

The future minimum lease rentals under non-cancellable operating lease are as follows:

	2018	2017
	USD	USD
Within one year	4,575,360	4,575,360
Between two and five years	573,000	5,148,360
After more than five years	<u>-</u>	<u>-</u>

Under the lease agreement the operating lease arises from the transactions in respect of the rental expense from the Parent Company AAL No 1 ('the Lessor') to Amentum (UK) Aircraft Leasing Limited ('the Lessee').

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

	2018	2017
	USD	USD
Within one year	4,503,268	4,512,240
Between two and five years	563,991	5,067,259
After more than five years	<u>-</u>	<u>-</u>

AMENTUM (UK) AIRCRAFT LEASING LIMITED
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16 RELATED PARTY TRANSACTIONS

The transactions in respect of the lease and maintenance of the two aircrafts have been conducted with AAL No.1, the Parent, totalling USD 4,507,583 (2017: USD 4,654,380) and USD 3,965,763 (2017: USD 4,040,089) respectively. The transactions include deferred income USD 395,738 (2017 USD 404,092) and accrued expenses USD 370,979 (2017 USD 306,118). The balances outstanding as at year end in respect of lease and maintenance amounted to USD 1,134,190 (2017: USD 1,185,338). All balances are repayable on demand and non-interest bearing.

Intercompany balance receivables to related parties was USD 145,395 (2017: USD 145,395).

The fees payable to the Company's directors for their services for the year ended on 31 December 2018 were USD Nil. However Joint Corporate Services Limited is a subsidiary of TMF Global Services (UK) Limited who provide corporate services to the Company. Fees payable to TMF Global Services (UK) Limited for directorship and accounting fees for the period ended 31 December 2018 were USD 27,537 (2017: USD 26,857).

17 EVENTS AFTER THE REPORTING PERIOD

The company's shareholder HSH Global Aircraft I S.a.r.l. is currently considering divestment of the portfolio owned by its subsidiaries. The timing of this divestment will be based on HSH Global Aircraft I S.a.r.l.'s best assessment as to when to divest. There are currently no firm plans in place for any such divestment.

18 PARENT COMPANY AND HOLDING COMPANY

The Company's immediate parent company is AAL No.1, which is incorporated and registered in Ireland. The Company's shares have been pledged as collateral for obligations of the parent company.

The directors regard HSH Global Aircraft I S.a.r.l. a company incorporated in the Luxembourg, as the ultimate holding company. Copies of the group financial statements can be obtained from 7, rue Lou Hemmer L-1748 Luxembourg - Findel, Grand-Duche de Luxembourg. The ultimate controlling party is considered to be Stichting Airlease, a company domiciled in the Netherlands.

HSH Global Aircraft I S.a.r.l. has a fixed charge over the assets of the Company with all the rights under the sublease assigned to the ultimate parent AAL No 1.