REGISTERED NUMBER: 02496522 (England and Wales)

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

FOR

AIRCRAFT CAPITAL LIMITED

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CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2012

COMPANY INFORMATION
for the year ended 31 December 2012

DIRECTORS:	J P M Schlatmann A-B Tieleman B Brouns R N Arthur
REGISTERED OFFICE.	5th Floor 6 St Andrew Street London EC4A 3AE
REGISTERED NUMBER:	02496522 (England and Wales)
AUDITORS:	KPMG LLP 6 Lower Brook Street Ipswich IP4 1AP

REPORT OF THE DIRECTORS
for the year ended 31 December 2012

The directors present their directors' report and audited consolidated financial statements for the group for the year ended 31 December 2012 The comparative period is from 1 April 2011 to 31 December 2011

PRINCIPAL ACTIVITY
The group's principal business activity is the leasing out of aircraft

REVIEW OF BUSINESS
With effect from 1 April 2011, the group changed its presentational currency from GBP to EUR to align this with the change in functional currency This change arose from the change in emphasis of denomination of activities

The directors do not currently anticipate any change in the groups business or activities for the future

DIVIDENDS
No dividends will be distributed for the year ended 31 December 2012 (2011 - €nil)

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report

J P M Schlatmann
A-B Tieleman
B Brouns
R N Arthur

The directors in office at 31 December 2012 did not have any disclosable interest in the shares of Aircraft Capital Limited or any other group company other than J P M Schlatmann and A-B Tieleman who are indirectly a 33 33% and 16 67% shareholder in General Asset-Finance Capital Holdings BV respectively, incorporated in the Netherlands, the ultimate parent undertaking

GROUP'S POLICY ON PAYMENT OF CREDITORS
It is the group policy to pay creditors within their agreed terms whenever possible

POLITICAL AND CHARITABLE CONTRIBUTIONS
The group made no political or charitable donations or incurred any political expenditure during the year (2011 – €nil)

PRINCIPAL RISKS AND UNCERTAINTIES
The group operates in a difficult market of limited scale leasing activities

Due to the straight forward nature of the group, the group directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the group

The groups' activities expose it primarily to the financial risks of changes in foreign currency exchange rates This is managed on a group basis and the group does not enter into forward contracts or hedging arrangements

Liquidity risk is managed by actively monitoring the liquidity and cash flow position of the group to ensure it has sufficient cash in order to fund its activities

The group is not exposed to price risk

FUTURE PROSPECTS
For 2013, the group expects to continue its current leasing activity and will look for possible options for extending its leasing activities

AIRCRAFT CAPITAL LIMITED (REGISTERED NUMBER: 02496522)

REPORT OF THE DIRECTORS
for the year ended 31 December 2012

SIGNIFICANT SUBSEQUENT EVENTS

On 22 March 2013, a subsidiary company, Aircraft Capital Leasing I Limited, received notice from its sole lessee that lease rental payments due in relation to the lease of the aircraft owned by the Company were to be suspended As at June 2013 the overdue rent is approximately USD 400,000 As a consequence of the non-payment by its lessee, the subsidiary company is in arrears on its bank financing arrangements to the amount of USD 355,000 and has technically defaulted on this agreement

The directors of both the subsidiary company and this Company are of the opinion that the existing arrears from the lessee can be settled in an amicable way Therefore, the financial statements have been prepared on a going concern basis, notwithstanding the above factors, which the directors feel is appropriate for the reasons outlined in Note 1

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE REPORT OF THE DIRECTORS AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Report of the Directors 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 group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) 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 group and parent company and of their profit or loss for that period In preparing each of the group and parent company 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and the group's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities

DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

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

BY ORDER OF THE BOARD:

J P M Schlatmann - Director

Date 14 June 2013

We have audited the financial statements of Aircraft Capital Limited for the year ended 31 December 2012 set out on pages seven to twenty four The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www frc org uk/auditscopeukprivate

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2012 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter – going concern
In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the group and company's ability to continue as a going concern The group had net current liabilities of €3,070,000 at 31 December 2012, it incurred a net loss of €563,000 during the year then ended and one of its subsidiaries is currently under notice of the suspension of lease payments from its sole lessee, resulting in that subsidiary being in arrears on its bank financing arrangements It cannot be guaranteed that an agreement will be reached with the lessee, in which case the group's and company's current liquid resources would be insufficient to meet its current financing arrangements These conditions, along with the other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the group's and company's ability to continue as a going concern The financial statements do not include the adjustments that would result if the group or company was unable to continue as a going concern

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

S Beavis

Stephanie Beavis (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory auditor
Chartered Accountants
6 Lower Brook Street
Ipswich
IP4 1AP

Date 14 June 2013

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2012

	Notes	Year Ended 31 12 12 €'000	Period 1 4 11 to 31 12 11 €'000
TURNOVER		8,429	5,690
Cost of sales		(5,176)	(3,637)
GROSS PROFIT		3,253	2,053
Administrative expenses		(733)	(389)
OPERATING PROFIT	3	2,520	1,664
Interest payable and similar charges	4	(3,083)	(2,273)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(563)	(609)
Tax on loss on ordinary activities	5	-	-
LOSS FOR THE FINANCIAL YEAR FOR THE GROUP		(563)	(609)

CONTINUING OPERATIONS
The results for the year are derived from continuing operations

The notes on pages 12 to 24 form part of these financial statements

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2012

	Year Ended 31 12 12 €'000	Period 1 4 11 to 31 12 11 €'000
LOSS FOR THE FINANCIAL YEAR FOR THE GROUP	(563)	(609)
Gain/(Loss) on FX translation	3	(8)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE FINANCIAL YEAR	(560)	(617)

The notes on pages 12 to 24 form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 December 2012

	Notes	2012 €'000	2011 €'000
FIXED ASSETS			
Tangible assets	7	67,429	72,728
		67,429	72,728
CURRENT ASSETS			
Debtors	9	789	896
Cash at bank and in hand		933	639
		1,722	1,535
CREDITORS			
Amounts falling due within one year	10	(4,792)	(4,699)
NET CURRENT LIABILITIES		(3,070)	(3,164)
TOTAL ASSETS LESS CURRENT LIABILITIES		64,359	69,564
CREDITORS			
Amounts falling due after more than one year	11	(64,172)	(68,820)
NET ASSETS		187	744
CAPITAL AND RESERVES			
Called up share capital	14	-	-
Profit and loss account	15	187	744
SHAREHOLDERS' FUNDS	17	187	744

The financial statements were approved by the Board of Directors on 14 June 2013 and were signed on its behalf by

J P M Schlatmann - Director

The notes on pages 12 to 24 form part of these financial statements

AIRCRAFT CAPITAL LIMITED (REGISTERED NUMBER: 02496522)

COMPANY BALANCE SHEET
31 December 2012

	Notes	2012 €'000	2011 €'000
FIXED ASSETS			
Investments	8	984	984
		984	984
CURRENT ASSETS			
Debtors	9	769	786
Cash at bank and in hand		95	55
		864	841
CREDITORS			
Amounts falling due within one year	10	(900)	(854)
NET CURRENT LIABILITIES		(36)	(13)
NET ASSETS		948	971
CAPITAL AND RESERVES			
Called up share capital	14	-	-
Profit and loss account	15	948	971
SHAREHOLDERS' FUNDS	17	948	971

The financial statements were approved by the Board of Directors on 14 June 2013 and were signed on its behalf by

J P M Schlatmann - Director

The notes on pages 12 to 24 form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2012

	Notes	Year Ended 31 12 12 €'000	Period 1 4 11 to 31 12 11 €'000
Net cash inflow from operating activities	1	7,912	5,582
Returns on investments and servicing of finance	2	(3,083)	(2,273)
Capital expenditure	2	-	(8,129)
		4,829	(4,820)
Financing	2	(4,535)	4,804
Increase/(decrease) in cash in the year		294	(16)

	Notes	Year Ended 31 12 12 €'000	Period 1 4 11 to 31 12 11 €'000
Reconciliation of net cash flow to movement in net debt	3		
Increase/(decrease) in cash in the year		294	(16)
Cash inflow/(outflow) from decrease/(increase) in debt and lease financing		4,519	(4,451)
Change in net debt resulting from cash flows		4,813	(4,467)
Movement in net debt in the year		4,813	(4,467)
Net debt at the start of the year		(71,659)	(67,192)
Net debt at the end of the year		(66,846)	(71,659)

The notes on pages 12 to 24 form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2012

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year Ended 31 12 12 €'000	Period 1 4 11 to 31 12 11 €'000
Operating profit	2,520	1,664
Depreciation charges	5,176	3,645
Gain/(loss) on FX translation	129	(8)
Decrease in debtors	107	193
(Decrease)/increase in creditors	(20)	88
Net cash inflow from operating activities	7,912	5,582

2 ANALYSIS OF CASH FLOWS

	Year Ended 31 12 12 €'000	Period 1 4 11 to 31 12 11 €'000
Returns on investments and servicing of finance		
Interest paid	(3,083)	(2,273)
Net cash outflow for returns on investments and servicing of finance	(3,083)	(2,273)
Capital expenditure		
Purchase of tangible fixed assets	-	(8,129)
Net cash outflow for capital expenditure	-	(8,129)
Financing		
New loans in year	-	7,000
Loan repayments in year	(981)	-
Capital repayments in year	(3,538)	(2,549)
Amounts owed to related undertakings and group undertakings	(16)	353
Net cash (outflow)/inflow from financing	(4,535)	4,804

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2012

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 1 12 €'000	Cash flow €'000	At 31 12 12 €'000
Net cash			
Cash at bank and in hand	639	294	933
	639	294	933
Debt			
Finance leases	(65,298)	3,538	(61,760)
Debts falling due	(7,000)	981	(6,019)
	(72,298)	4,519	(67,779)
Total	(71,659)	4,813	(66,846)

1 ACCOUNTING POLICIES

Accounting convention
The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation
The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Going concern
On 22 March 2013, a subsidiary company, Aircraft Capital Leasing I Limited, received notice from its sole lessee that lease rental payments due in relation to the lease of the aircraft owned by the subsidiary were to be suspended although the lessee continues to operate the aircraft As at June 2013, the overdue rent is approximately USD 400,000, all of which relates to 2013 lease income

Citing the uneconomic operational performance of this particular aircraft type, the lessee has proposed an amendment to the terms of the existing lease agreement to the subsidiary The subsidiary has not accepted this proposal and is currently in discussions with the lessee to agree an acceptable, amicable solution The subsidiary has reserved all rights under existing agreements

It should be noted that the lessee is fully operational, has not filed for insolvency and is believed to be paying other creditors, including other aircraft lessors of different aircraft types

As a consequence of the non-payment by its lessee, the subsidiary is in arrears on its bank financing arrangements to the amount of USD 355,000 and has technically defaulted on this agreement The total balance of the bank loan of USD 7,930,380 is therefore technically due on demand as at June 2013 although the bank is fully involved in the discussions with the lessee and is working with the subsidiary to find a long term solution and has not currently sought repayment of this amount

The directors of the subsidiary are of the opinion that the existing arrears from the lessee can be settled in an amicable way Therefore, the group and parent company financial statements have been prepared on a going concern basis, notwithstanding the above factors as well as the group's loss for the period of €563,000 and the group net current liabilities of €3,070,000 (parent company net current liabilities €36,000)

The directors acknowledge that there can be no certainty in relation to this matter, however, they have no reason to believe that an amicable solution will not be reached It cannot be guaranteed that an agreement will be reached with the lessee, in which case the subsidiary's current liquid resources would be insufficient to meet its current financing arrangements and the subsidiary would not be able to repay its loan balance with Aircraft Capital Limited of €759,013 The directors of the subsidiary Company would seek an alternative lessee, although the market for this type of aircraft is limited

The directors of Aircraft Capital Limited have prepared projections from 31 December 2012, for the next three and five years, including sensitivity analysis on key assumptions made, which anticipate positive operating cash flows assuming resolution of the above lessee default The parent company directors therefore have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future

1 **ACCOUNTING POLICIES - continued**

Going concern – continued
The directors of Aircraft Capital Limited have concluded that the combination of the above circumstances represents a material uncertainty that may cast significant doubt upon the group's and parent company's ability to continue as a going concern and that, therefore, the group and parent company may be unable to continue realising its assets and discharging its liabilities in the normal course of business Nevertheless, after making enquiries and considering the uncertainties described above, the directors of Aircraft Capital Limited have a reasonable expectation that the group and parent company have adequate resources to continue in operational existence for the foreseeable future For these reasons, they continue to adopt the going concern basis in preparing the annual financial statements

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate

Functional currency
The financial statements are presented in Euros, the functional currency of the company The directors concluded that, with effect from 1 April 2011, the functional currency had changed from Pounds Sterling to Euros The new functional currency is applied prospectively effective from 1 April 2011 and all items were translated into the new functional currency using the exchange rate at that date The resulting amounts for non-monetary assets are treated as their historical costs

On consolidation, the assets and liabilities of the group's overseas operations are translated at exchange rates prevailing at the balance sheet date Income and expenses are translated at the average exchange rates for the year

Basis of consolidation
The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2012 The acquisition method of accounting has been adopted Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account

Investments
Investments in subsidiary undertakings are stated at cost less amounts written off

Tangible fixed assets and depreciation
Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Aircraft and related engines 4 - 10 years

Foreign currencies
Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

1 **ACCOUNTING POLICIES - continued**

Leases lease income as lessor
Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Operating lease rentals receivable are credited to the profit and loss account on a straight line basis over the period of the lease

Where fixed assets are financed by leasing agreements which transfer to the company substantially all the benefits and risks of ownership, the assets are treated as if they had been purchased outright and are included in tangible fixed assets The capital element of the leasing commitments is shown as obligations under finance leases The lease rentals are treated as consisting of capital and interest elements The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit Assets held under finance leases are depreciated over the shorter of the lease terms and the estimated useful lives

Turnover
Turnover derives from operating leases of aircrafts Lease income is recognised over the lease term on a straight-line basis Incentives for the agreement of a new or renewed operating leases are recognised as a reduction of the rental income over the lease term, irrespective of the incentives nature or form, or the timing of payments

Taxation
The charge for taxation is based on the loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i e forming part of shareholders' funds) only to the extent that they meet the following two conditions

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital exclude amounts in relation to those shares

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds

2 DIRECTORS AND EMPLOYEES

There were no employees during the year (2011 - nil)

No directors received any remuneration from or in respect of the group or the company during the year (2011 - nil)

3 OPERATING PROFIT

The operating profit is stated after charging

	Year Ended 31 12 12 €'000	Period 1 4 11 to 31 12 11 €'000
Depreciation of owned tangible fixed assets	905	441
Depreciation of leased tangible fixed assets	4,271	3,204
Exchange gain/(loss)	8	(105)
Auditors' remuneration		
-Audit of these financial statements	12	6
-Other services relating to taxation	30	15

The analysis of the group's turnover by geographical area was, 98 38% to the rest of Europe and 1 62% to Australia

4 INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 12 12 €'000	Period 1 4 11 to 31 12 11 €'000
Interest on finance lease	2,830	2,268
Interest on mortgage	229	-
Interest payable to related undertaking	24	5
	3,083	2,273

5 TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the period was as follows

	Year ended 31 12 12 €'000	Period 1 4 11 to 31 12 11 €'000
Current tax		
UK Corporation Tax	-	-

UK corporation tax has been charged at 24 5% (31 Dec 2011 - 26%)

Factors affecting the tax charge/(credit)

The tax assessed is higher (31 Dec 2011 - higher) than the standard rate of corporation tax in the UK The difference is explained below

	Year ended 31 12 12 €'000	Period 1 4 11 to 31 12 11 €'000
Loss on ordinary activities before tax	(563)	(609)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24 5% (31 Dec 2011 - 26%)	(138)	(158)
Effects of		
Tax losses not utilised	166	648
Capital allowances for period (in excess of)/ less than depreciation	(35)	69
Non-deductible expenditure	7	-
Other timing differences	-	(559)
	-	-

Factors that may affect future tax charges

At 31 December 2012 there are accumulated losses of €35,309 (31 Dec 2011 - €7,789) available to the company Additional accumulated losses available to the group for set off against profits of the same trade which are estimated at €36 29m (31 Dec 2011 - €35 37m) In addition there is €7 92m (31 Dec 2011 - €8 3m) of depreciation charged in excess of capital allowances claimed A deferred tax asset of €10 18m (31 Dec 2011 - €10 92m) has not been recognised in full as a deferred tax asset due to the uncertainty of the future profit stream of the company

The 2013 budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015 A reduction in the rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012 This will reduce the company's deferred tax asset at 31 December 2012 which has been calculated based on the rate of 23% substantively enacted at the balance sheet date by €0 88m

It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's deferred tax asset accordingly

6 **LOSS/PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements The parent company's loss for the year was €23,115 (31 Dec 2011 - €3,045 profit)

7 **TANGIBLE FIXED ASSETS**

Group

	Aircraft and engines €'000
COST	
At 1 January 2012	78,826
Exchange differences	(140)
At 31 December 2012	78,686
DEPRECIATION	
At 1 January 2012	6,098
Charge for year	5,176
Exchange differences	(17)
At 31 December 2012	11,257
NET BOOK VALUE	
At 31 December 2012	67,429
At 31 December 2011	72,728

KLM Amsterdam Limited had assets held under a finance lease with a net book value at 31 December 2012 of €59,511,409 (31 Dec 2011 - €63,782,797) The depreciation charge for the year on this asset amounted to €4,271,388 (31 Dec 2011 - €3,203,541)

8 **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertakings €'000
COST	
At 1 January 2012 and 31 December 2012	984
NET BOOK VALUE	
At 31 December 2012	984
At 31 December 2011	984

8 FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiaries

KLM Amsterdam Limited
Country of incorporation England and Wales
Nature of business Aircraft Leasing

Class of shares	% holding
Ordinary	100 00

The above subsidiary is consolidated within these group accounts

Aircraft Capital Leasing I Limited
Country of incorporation Ireland
Nature of business Aircraft leasing

Class of shares	% holding
Ordinary	100 00

The above subsidiary is consolidated within these group accounts

9 DEBTORS

	Group		Company	
	2012	2011	2012	2011
	€'000	€'000	€'000	€'000
Trade debtors	35	-	-	-
Amounts owed by group undertakings	-	-	769	778
Other debtors	1	9	-	-
Prepayments and accrued income	753	887	-	8
	789	896	769	786

10 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	€'000	€'000	€'000	€'000
Other loans (see note 12)	888	878	-	-
Finance leases (see note 13)	3,706	3,538	-	-
Trade creditors	40	27	3	10
Amounts owed by group undertakings	-	-	891	840
Accruals and deferred income	158	256	6	4
	4,792	4,699	900	854

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2012 €'000	Group 2011 €'000
Other loans (see note 12)	5,131	6,122
Finance leases (see note 13)	58,054	61,760
Amounts owed to related undertakings	922	938
Other creditors	65	-
	64,172	68,820

12 LOANS

	Group 2012 €'000	Group 2011 €'000
Amounts falling due within one year or on demand		
Other loans	888	878
Amounts falling due between two and five years		
Other loans	5,131	3,796
Amounts falling due in more than five years		
Other loans	-	2,326

The loan has been made by a subsidiary company and is secured on the assets and shares of that company

13 OBLIGATIONS UNDER LEASING AGREEMENTS

Group

	Finance leases 2012 €'000	Finance leases 2011 €'000
Net obligations repayable		
Within one year	3,706	3,538
Between one and five years	16,570	15,165
In more than five years	41,484	46,595
	61,760	65,298

14 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2012 €	2011 €
6	Ordinary A	GBP£1	7	7
4	Ordinary B	GBP£1	4	4
			11	11

14 CALLED UP SHARE CAPITAL - continued

The above called up share capital relates to both the group and the company

15 RESERVES

Group

	Profit and loss account €'000
At 1 January 2012	744
Loss for the financial year	(563)
Loss on FX translation	6
At 31 December 2012	187

Company

	Profit and loss account €'000
At 1 January 2012	971
Loss for the financial year	(23)
At 31 December 2012	948

16 RELATED PARTY DISCLOSURES

The director, R N Arthur, is also a director of TMF Management (UK) Limited, which provided professional, accounting and administration services to the company and charged the company €38,327 (31 Dec 2011 - €9,851) for its services during the year €nil (31 Dec 2011 - €18,228) was owed to TMF Management (UK) Limited at 31 December 2012 KLM Amsterdam Limited, was charged €33,774 (31 Dec 2011 - €21,039) by TMF Management (UK) Limited for its services during the year €nil (31 Dec 2011 - €7,986) was owed to TMF Management (UK) Limited at 31 December 2012 by KLM Amsterdam Limited

The directors, J P M Schlatmann and A-B Tieleman, are also directors of General Asset-Finance Services b v , which provided management services to KLM Amsterdam Limited and charged €90,000 (31 Mar 2011 - €67,500) for its services during the year No amounts were due at 31 December 2012 (31 Dec 2011 - €nil) Aircraft Capital Leasing I Limited was also charged €89,971 (31 Dec 2011 - €105,261) by General Asset-Finance Services b v for its services during the year No amounts were due at 31 December 2012 (31 Dec 2011 - €nil) At 31 December 2012 Aircraft Capital Leasing I Limited owed €296,015 (31 Dec 2011 - €301,193) to General Asset-Finance Capital Holdings BV, the ultimate parent undertaking

During the year KLM Amsterdam Limited made sales to KLM Royal Dutch Airlines, a shareholder, of €6,859,983 (31 Dec 2011 - €5,144,987) At 31 December 2012 €nil (31 Dec 2011 - €nil) was owed from KLM Royal Dutch Airlines and €637,139 (USD $825,000) was held on deposit from KLM Royal Dutch Airlines at the balance sheet date (31 Dec 2011 - €637,139 (USD $825,000))

Included within the loss for the year of the company was interest received of €64,080 (31 Dec 2011 - €14,143) from its subsidiary undertaking, Aircraft Capital Leasing I Limited

At 31 December 2012 the company owed €891,347 (31 Dec 2011 - €839,502) to its subsidiary undertaking, KLM Amsterdam Limited

At 31 December 2012 the company was owed €769,012 (31 Dec 2011 - €777,907) from its subsidiary undertaking Aircraft Capital Leasing I Limited

ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP OF WHICH THE COMPANY IS A MEMBER

At 31 December 2012 the directors considered the company's ultimate parent undertaking to be General Asset-Finance Capital Holdings BV, which is registered in the Netherlands

The directors also consider that this is the largest group for which group accounts including Aircraft Capital Limited are drawn up

The financial statements of the company and its group can be obtained from 5th Floor, 6 St Andrew Street, London, EC4A 3AE

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2012 €'000	2011 €'000
Loss for the financial year	(563)	(609)
Other recognised gains and losses relating to the year (net)	3	(8)
Loss on FX translation	3	-
Net reduction of shareholders' funds	(557)	(617)
Opening shareholders' funds	744	1,361
Closing shareholders' funds	187	744

Company

	2012 €'000	2011 €'000
(Loss)/profit for the financial year	(23)	3
Net (reduction)/addition to shareholders' funds	(23)	3
Opening shareholders' funds	971	968
Closing shareholders' funds	948	971