

Registered number: 2830095

AerCap UK Limited

Directors' report and financial statements

For the year ended December 31, 2017

WEDNESDAY



L7CF2P9F

LD4

15/08/2018

#5

COMPANIES HOUSE

AerCap UK Limited

Contents	<i>Page</i>
Company information page	1
Directors' report	2-3
Directors' responsibilities statement	4
Independent Auditors' report	5-6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in shareholders' equity	9
Notes to the financial statements	10-16

AerCap UK Limited

Company Information

Directors	T. Lawrence Joint Corporate Services Limited
Company Secretary	TMF Corporate Administration Services Limited
Registration Number	2830095
Registered Office	6 St. Andrews Street, 5 th Floor London EC4A 3AE
Independent Auditors	PricewaterhouseCoopers Chartered Accountants and Statutory Auditors One Spencer Dock North Wall Quay Dublin 1
Solicitors	Mayer Brown International LLP 201 Bishopsgate London EC2M 3AF
Company definitions:	
“the Company”	AerCap UK Limited
“AerCap”	AerCap Holdings N.V. and its subsidiary undertakings

AerCap UK Limited

Directors' report

For the financial year ended December 31, 2017

The Directors present their report and the financial statements for the financial year ended December 31, 2017.

Principal activities and business review

The Company provides administrative services to other Group companies. The performance of the Company is reviewed on an ongoing basis by the Directors. Its future results will depend, inter alia, on conditions in the aviation sector and the ability of AerCap to achieve satisfactory lease rates and minimize downtime.

Future developments

The Directors have no plans to significantly change the activities and operations of the Company for the foreseeable future.

Structure and financing

The Company was incorporated on June 24, 1993. The Company is a wholly owned subsidiary of AerCap Holdings N.V. The Directors have prepared the accounts under FRS 101.

Financial results and dividends

The results for the year are set out on page 7. The profit for the year, after taxation amounted to \$354 thousand (2016: \$169 thousand). The Directors do not propose to pay a dividend.

Directors, Secretary and their interests

The Director and Secretary of the Company who held office at December 31, 2017 and at December 31, 2016 had no interests in the shares in the Company or group companies during the year. The Directors and Secretary who held office during the year are listed on the company information page. Unless indicated otherwise, they served for the entire year.

No Director has or has had any interest in any transaction with the Company or other Group companies which is or was unusual in its nature or conditions or significant to the business of the Company or the Group within the year.

In accordance with the Articles of Association, the Directors are not required to retire by rotation.

Political contributions

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

Post balance sheet events

There have been no significant events affecting the Company since the financial year end.

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 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.

Directors' report (*continued*)

For the financial year ended December 31, 2017

Directors' qualifying third party indemnity provision

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.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

The Directors have elected to exercise small companies' exemption in preparing this report.

This report was approved by the board on 26 July 2018 and signed on its behalf.



T. Lawrence
Director

AerCap UK Limited

Directors' responsibilities statement

For the financial year ended December 31, 2017

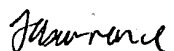
The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.



T. Lawrence
Director



Independent auditors' report to the members of AerCap UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, AerCap UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.



With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditors' 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 auditors' 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Emma Scott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin
26 July 2018

AerCap UK Limited

Statement of comprehensive income For the financial year ended December 31, 2017

	Note	2017 \$000	2016 \$000
Turnover	2	<u>1,631</u>	<u>1,936</u>
Gross profit		1,631	1,936
Administrative expenses		<u>(1,497)</u>	<u>(1,729)</u>
Operating profit	3	134	207
Interest receivable and similar income		<u>5</u>	<u>3</u>
Profit before taxation		139	210
Taxation on profit on ordinary activities	5	<u>215</u>	<u>(41)</u>
Profit for the financial year		354	169
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>354</u>	<u>169</u>

All amounts relate to continuing operations.

The notes on pages 10 to 15 form an integral part of these financial statements.

AerCap UK Limited

Statement of financial position As at December 31, 2017

	Note	2017 \$000	2016 \$000
Current Assets			
Debtors: amounts falling due within 1 year	6	2,568	980
Cash and cash equivalents		<u>1,474</u>	<u>2,503</u>
		4,042	3,483
Creditors: amounts falling due within one year	7	<u>(351)</u>	<u>(250)</u>
Net Current Assets		<u>3,691</u>	<u>3,233</u>
Deferred Tax		<u>142</u>	<u>-</u>
Net Assets		<u>3,833</u>	<u>3,233</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		<u>3,833</u>	<u>3,233</u>
Shareholders' Funds		<u>3,833</u>	<u>3,233</u>

The financial statements were approved and authorized by the board for issue and were signed on its behalf by:



T. Lawrence

Date: 26 July 2018

The notes on pages 10 to 15 form an integral part of these financial statements.

AerCap UK Limited

Statement of Changes in Equity

For the financial year ended December 31, 2017

	Share capital \$000	Other reserves \$000	Retained earnings \$000	Total equity \$000
Opening balance	-	1,590	1,643	3,233
Profit for the financial year	-	-	354	354
Paid in reserves	-	246	-	246
At December 31, 2017	-	1,836	1,997	3,833

	Share capital \$000	Other reserves \$000	Retained earnings \$000	Total equity \$000
Opening balance	-	870	1,474	2,344
Profit for the financial year	-	-	169	169
Paid in reserves	-	720	-	720
At December 31, 2016	-	1,590	1,643	3,233

The notes on pages 10 to 15 form an integral part of these financial statements.

AerCap UK Limited

Notes to the financial statements

For the financial year ended December 31, 2017

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS101") and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, and are stated in US dollars, which is the principal operating currency of the Company and of the aviation industry.

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in FRS 101 which addresses the financial reporting requirements and disclosure exemptions in the financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1.7.

The Company is a qualifying entity for the purposes of FRS 101. Note 10 gives details of the Company's parent and from where its consolidated financial statements may be obtained.

Due to the nature of the Company's business and the type of transactions the Company is engaged in, the Directors have adopted the statement of total comprehensive income and the statement of financial position to suit the circumstances of the business in accordance with Section 396(4) of the Companies Act 2006.

The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions availed of by the Company in these financial statements, the most significant of which are summarised below:

- IAS 7, 'Statement of cash flows';
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a Group;
- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined);
- IFRS 7 'Financial Instruments: Disclosures';
- Paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (disclosure of a new IFRS which has been issued but is not yet effective and has not been applied by the entity); and
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Small companies exemption.

The following principal accounting policies have been applied:

AerCap UK Limited

Notes to the financial statements for the year ended December 31, 2017 (*continued*)

1. Accounting policies (*continued*)

1.2 Fee income and other operating expenses

Fee income and operating expenses are accounted for in the year to which they relate.

1.3 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. The current tax charge comprises corporation tax on profits earned.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the Statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled.

A deferred tax asset is recorded where it is more likely than not to be recoverable. The recoverability of deferred tax assets is assessed annually by the Directors.

1.4 Foreign currency translation

Functional and presentation currency

The Company's functional currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

1.5 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

AerCap UK Limited

Notes to the financial statements for the year ended December 31, 2017 (*continued*)

1. Accounting policies (*continued*)

1.6 Share based payments

Certain employees receive AerCap Holdings N.V. share-based awards, consisting of restricted stock units and restricted stock. The share-based compensation expense is determined by reference to the fair value of the restricted stock units or restricted stock on the grant date and is recognized over the vesting period using the straight-line method, classified in operating expenses in the Income Statement. Vesting periods range between three years and five years and are subject to time-based or performance-based vesting conditions.

1.7 Judgements in applying accounting policies and key sources of estimate uncertainty

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. Further details are set out below;

Collectability of trade receivables

Evaluating collectability of trade receivables requires some level of subjectivity and judgement. When collectability of rental payments is not deemed probable, revenue is recognised when cash payments are received. Collectability is evaluated based on factors such as the lessee's credit rating, payment performance, financial condition and requests for modifications of lease terms and conditions as well as security received from the lessee in the form of guarantees and/or letters of credit.

1.8 Cash and cash equivalents

The Company considers cash and cash equivalents to be cash on hand and highly liquid investments with maturities of 90 days or less. At December 31, 2017, cash and cash equivalents consists of cash at banks.

1.9 Trade and other receivables

Trade and other receivables are measured at historical cost. Appropriate allowances for estimated irrecoverable amounts are recognized in the statement of comprehensive income when there is objective evidence that the asset is impaired.

2. Turnover

An analysis of turnover by class of business is as follows:

	2017 \$000	2016 \$000
Administration fees	<u>1,631</u>	<u>1,936</u>

Turnover represents fees earned in respect of administration services to other Group companies.

AerCap UK Limited

Notes to the financial statements for the year ended December 31, 2017 (*continued*)

3. Operating profit

Auditors' remuneration was borne by AerCap Ireland Limited on behalf of the Company in the financial year ended December 31, 2017 or prior years as applicable and is not recharged specifically to the entity. Auditors' remuneration relates to statutory audit only.

Directors' emoluments are borne by another Group entity.

4. Staff costs

Staff costs were as follows:

	2017 \$000	2016 \$000
Wages and salaries	769	393
Social security costs	<u>264</u>	<u>227</u>
	<u>1,033</u>	<u>620</u>

The average number of employees, including the Directors, during the year was as follows:

	2017	2016
Employees	<u>3</u>	<u>3</u>

5. Taxation

Factors affecting tax (credit) / charge for the year

The standard rate of tax in the UK is 19.25% (2016: 20.25%). A reconciliation is set out below:

	2017 \$000	2016 \$000
Analysis of tax (credit) / charge in the period		
Deferred tax	(142)	-
Current tax	<u>(73)</u>	<u>41</u>
Total current tax	<u>(215)</u>	<u>41</u>

Factors affecting tax (credit) / charge for the year

Profit on ordinary activities before tax	<u>139</u>	<u>210</u>
Current tax at 19.25% (2016: 20.25%)	28	43

AerCap UK Limited

Notes to the financial statements for the year ended December 31, 2017 (continued)

5. Taxation (continued)

Factors affecting tax (credit) / charge for the year (continued)

	2017 \$000	2016 \$000
<i>Effects of:</i>		
Expenses not deductible for tax purposes	3	10
Group relief	-	(1)
Foreign exchange movement	(7)	40
Net stock compensation deduction	(129)	(12)
Adjustment in respect of prior periods	(122)	-
Effect of decreased tax rate	12	
Movement in deferred tax asset not recognized	-	(39)
Total tax (credit) / charge for the year	(215)	10

Factors that may affect future tax charges.

There were no factors that may affect future tax charges.

6. Debtors: Amounts falling due within one year

	2017 \$000	2016 \$000
Amounts due from group companies	2,316	796
Income tax asset	244	172
Trade debtors	8	12
	2,568	980

Amounts due from group companies are unsecured and are repayable on demand.

7. Creditors: Amounts falling due within one year

	2017 \$000	2016 \$000
Corporation tax	-	-
Accruals and deferred income	351	250
	351	250

AerCap UK Limited

Notes to the financial statements for the year ended December 31, 2017 (continued)

8. Share based payments

The Company recognized total expenses of \$246 thousand in the period (2016: \$720 thousand) related to restricted stock units (RSUs) issued by AerCap but held by employees or secondees of the Company.

Details of the movement in the RSUs during the financial year:

	Number of RSUs	\$ Weighted Average Grant Date Fair Value \$
RSUs outstanding at December 31, 2016	70,000	34
Employee/secondee transfers	(50,000)	41
Granted in the period	20,000	45
Vested in the period	(20,000)	16
Cancelled in the period	-	-
Outstanding at December 31, 2017	20,000	46

9. Share capital

	2017 £	2016 £
Authorised		
100 Ordinary shares of £1.00 each	100	100
Issued		
1 Ordinary shares of £1.00 each	1	1

10. Controlling party

The Company is a 100% indirect subsidiary of AerCap Holdings N.V., a company incorporated in the Netherlands, into which the results of the Company are consolidated. The consolidated accounts of AerCap Holdings N.V. are publicly available from the Trade Register in the city of Amsterdam under the number 34251954.

11. Post balance sheet events

There have been no significant events affecting the Company since the financial year end.

12. Approval of financial statements

The board of Directors approved these financial statements on 26 July 2018.