

Elasis Leasing IV Limited

**Directors' report and
financial statements**

Year ended March 31, 2004

Registered number 3059249

eLiv04



Elasis Leasing IV Limited

Directors' report and financial statements

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Elasis Leasing IV Limited

Directors and other information

Directors

R.M. Dantzic (U.K.)
H. Jenkins (U.K.)
B. T. Hayden

Registered office

20, Blackfriars Lane
London EC4V 6HD
England

Secretaries

Mawlaw Secretaries
debis AirFinance Company Secretary Limited

Auditors

KPMG
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1

Principal bankers

Deutsche Bank

Solicitors

McCann FitzGerald
2 Harbourmaster Place
Custom House Dock
Dublin 1

Definitions

"the Company"	: Elasis Leasing IV Limited
"Airplanes Group"	: Airplanes Limited and Airplanes US Trust and their respective subsidiary undertakings
"debis"	: debis AirFinance Ireland plc and its subsidiary undertakings
"GECAS"	: GE Capital Aviation Services Limited

Elasis Leasing IV Limited

Directors' report

The directors herewith submit their report together with the audited financial statements of the Company for the year ended March 31, 2004.

Principal activities, business review and future developments

The Company's primary activity is aircraft leasing.

Structure and financing

The Company is an aircraft leasing subsidiary of Airplanes Group, a special purpose vehicle, established to acquire certain aircraft and related assets from debis on March 28, 1996. Airplanes Group financed the acquisition of these assets from debis through the issue of five classes of notes. All of the four most senior classes of notes (the "A, B, C and D Notes") were sold in a \$4,048 million global underwritten public offering. debis subscribed for all of the fifth class of notes (the "E Notes"). In March 1998, Airplanes Group successfully completed a refinancing of \$2,437 million A and B Notes. On November 20, 1998 debis transferred its holding of the E Notes to GE Capital Corporation. In March 2001, Airplanes Group successfully completed a refinancing of \$750 million A Notes.

The Company is financed primarily by advances from Airplanes Limited, its ultimate holding company, and has guaranteed all obligations of the other companies within the Airplanes Group including their obligations in respect of the Notes in issue (Note 7).

Management

The Company's assets are managed by GECAS under a servicing agreement between Airplanes Group and GECAS. debis provides both administrative agency and cash management services to Airplanes Group.

Financial results

Details of the result of the year and the movement in reserves are set out in the profit and loss account on page 7 of the financial statements.

The profit after tax for the financial year amounted to \$3,000 (2003: \$6,000).

Dividends

The directors have not proposed a dividend for the current year (2003: Nil).

Directors and secretary

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

Elasis Leasing IV Limited

Directors' report *(continued)*

Interest of directors and secretary

The directors and secretaries of the Company who held office at March 31, 2004 had no interests in the shares in the Company or group companies at March 31, 2004 and March 31, 2003.

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

Post balance sheet events

There were no significant events affecting the Company since the end of the financial year.

Auditors

In accordance with Section 384 of the Companies Act 1985, the auditors, KPMG Chartered Accountants will continue in office.

On behalf of the board



R.M. Dantzic
Director

June 8, 2004

Elasis Leasing IV Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board



R.M. Dantzie
Director

June 8, 2004

Independent Auditors' report to the members of Elasis Leasing IV Limited

We have audited the financial statements on pages 6 to 11.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act, 1985. 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.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our professions' ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the affairs of the company as at 31 March 2004 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
KPMG
Chartered Accountants,
Registered Auditors

June 8, 2004

Elasis Leasing IV Limited

Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The accounting policies followed in the preparation of the accompanying financial statements are in conformity with generally accepted accounting principles and comply with financial reporting standards of the Accounting Standards Board in the United Kingdom.

The financial statements are prepared on the going concern basis, 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.

The going concern basis of preparation is dependant on membership of the Airplanes Group and intragroup funding arrangements upon which the future operation of the company is dependant.

Revenue recognition

Revenue from aircraft on operating lease is recognised as income as it accrues over the period of the lease.

Taxation

Corporation tax is provided based on the results for the year.

Statement of cash flows

A statement of cash flows has not been prepared under Financial Reporting Standard No. 1 (revised) as the Company is a wholly owned subsidiary of Airplanes Holdings Limited, a company incorporated in Ireland, which is itself preparing consolidated financial statements which are publicly available.

Elasis Leasing IV Limited

Profit and loss account
for the year ended March 31, 2004

	Note	Year ended March 31, 2004 \$000	Year ended March 31, 2003 \$000
Turnover - continuing operations	1	5,537	3,525
Cost of sales	2	(5,534)	(3,518)
		<hr/>	<hr/>
Gross profit		3	7
Administration and selling expenses	2	-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation - continuing operations		3	7
Tax on profit on ordinary activities	3	-	(1)
		<hr/>	<hr/>
Profit for the financial year		3	6
Profit and loss account at beginning of year		19	13
		<hr/>	<hr/>
Profit and loss account at end of year		22	19
		<hr/>	<hr/>

The Company had no recognised gains or losses in the financial year or the preceding financial year other than those dealt with in the profit and loss account.

The accompanying notes are an integral part of the financial statements.

On behalf of the board



R.M. Dantzie
Director

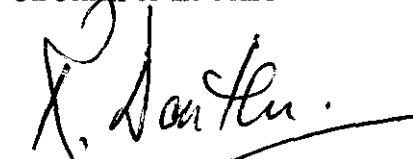
Elasis Leasing IV Limited

Balance sheet
at March 31, 2004

	Note	March 31, 2004 \$000	March 31, 2003 \$000
Current assets			
Debtors	4	827	674
		<hr/>	<hr/>
Total assets		827	674
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account		22	19
		<hr/>	<hr/>
Shareholders' funds - equity	8	22	19
Creditors	5		
Amounts falling due within one year		223	150
Amounts falling due after more than one year		582	505
		<hr/>	<hr/>
Total liabilities		827	674
		<hr/>	<hr/>

The accompanying notes are an integral part of the financial statements.

On behalf of the board



R.M. Dantzie
Director

8 June 2004

Elasis Leasing IV Limited

Notes

forming part of the financial statements

1. Turnover

Turnover represents leasing income from aircraft and related assets leased in Europe.

2. Profit for the financial year

The profit for the financial year has been arrived at after (crediting)/charging the following items:

	March 31, 2004 \$000	March 31, 2003 \$000
<i>In turnover</i>		
Operating lease rental income	(5,537)	(3,525)
<i>In cost of sales</i>		
Lease in costs	5,530	3,518
Interest Income	(3)	-
<i>In administration and selling expenses</i>		
Auditors' remuneration (including expenses)	-	-
Directors' fees	-	-

In the years ended March 2004 and 2003 auditors remuneration was borne by Airplanes Holdings Limited.

3. Tax on profit on ordinary activities

	2004 \$000	2003 \$000
U.K. Corporation tax on profits for the period	-	1
Profit on ordinary activities before tax	3	7
Tax on ordinary activities	-	1

4. Debtors: (All due within one year)

	2004 \$000	2003 \$000
Trade debtors	827	674

Elasis Leasing IV Limited

Notes (continued)

4. Debtors (continued)

Trade debtors at March 31, 2004 are stated net of provisions of \$6,000 (2003: \$Nil).

5. Creditors	2004 \$000	2003 \$000
Amounts falling due within one year		
Accruals and deferred income	223	150
	<u> </u>	<u> </u>
Amounts falling due after more than one year		
Amounts due to Group companies		
- Airplanes Holdings	582	505
	<u> </u>	<u> </u>

Each Company in the Airplanes Group has guaranteed all obligations of the Company.

6. Share capital	2004 GBP£	2003 GBP£
Authorised		
100 Ordinary shares of GBP£1 each	100	100
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
1 ordinary share of GBP£1 each	1	1
	<u> </u>	<u> </u>

7. Commitments and contingent liabilities

Guarantees

The Company has guaranteed all obligations of the other companies within Airplanes Group including their obligations in respect of the debt outstanding at year end of \$2,147,646 (2003: \$2,255,615). Certain of these companies have net liabilities at 31 March 2004.

Foreign taxation

The international character of the Company's operations may expose the Company to taxation in certain countries. The position is kept under continuous review and provision is made for known liabilities where it is probable that such liabilities will crystallise.

8. Reconciliation of movements in shareholders' funds	2004 \$000	2003 \$000
Total recognised profit for the financial year	3	6
Shareholders' funds at beginning of year	19	13
	<u> </u>	<u> </u>
Shareholders' funds at end of year	22	19
	<u> </u>	<u> </u>

Elasis Leasing IV Limited

Notes (continued)

9. Related party transactions

The Company has availed of the exemption under Financial Reporting Standard No. 8 not to disclose details of all transactions within the Airplanes Limited Group. Details of the availability of the group consolidated financial statements are given in Note 11.

10. Staff costs and numbers

The Company had no employees at March 31, 2004 and March 31, 2003.

11. Group membership

The Company is a wholly owned subsidiary of Airplanes Holdings Limited, a company incorporated and operating in the Republic of Ireland. Airplanes Holdings Limited is a 95% subsidiary of Airplanes Limited, a company incorporated in Jersey. The financial statements reflect the effect of these relationships.

The largest group in which the results of the Company are consolidated is that headed by Airplanes Limited and the consolidated financial statements may be obtained from Mourant du Feu et Jeune, 22 Grenville Street, St. Helier, Jersey.

The smallest group in which the results of the Company are consolidated is that headed by Airplanes Holdings Limited and those consolidated financial statements are filed in the Companies Office, Parnell Square, Dublin 1, Ireland.

12. Post Balance Sheet Events

There were no significant events affecting the company since the end of the financial year.

13. Approval of the financial statements

The financial statements were approved by the board of directors on June 8, 2004.