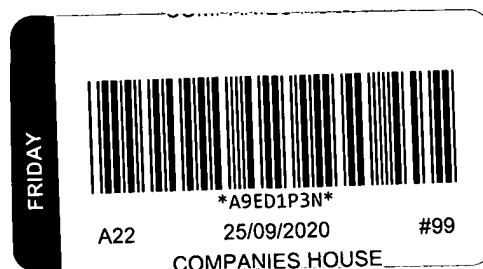


**Airbus Military UK Limited**

**Report and Financial Statements**

**31 December 2019**

Registered number: 08032298



THIS DOCUMENT IS NOT SUBJECT TO EXPORT CONTROL.

**COMPANY INFORMATION****Directors**

I.C. Burrett

J.M. Rawle

**Company Secretary**

Julia Rose

**Auditors**

Ernst & Young LLP

The Paragon

Counterslip

Bristol

BS1 6BX

**Registered Office**

Britannia House,

West Oxfordshire

Business Park Carterton

OX183YJ

Registered number: 08032298

	Page
Strategic report	2
Directors' report	3-4
Statement of Directors' Responsibilities	5
Independent auditors' report to the members of Airbus Military UK Limited	6-8
Income Statement	9
Statement of Comprehensive Income	10
Statement of Changes in Equity	11
Balance Sheet	12
Notes to the financial statements	13-23

THIS DOCUMENT IS NOT SUBJECT TO EXPORT CONTROL.

Registered number: 08032298

**Principal activity**

The principal activity of the Company is the maintenance of aircraft and related services.

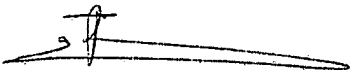
**Business Review**

The Airbus group manage their operations on a divisional basis. For these reasons the Company's directors believe that key performance indicators for the Company are not necessary or appropriate for the understanding of the development, performance or position of the Airbus Military UK Limited business.

**Principal risk and uncertainties**

The Director's consider the Company's exposure to price risk, interest rate risk, credit risk, foreign currency risk, liquidity risk and cash flow risk to be relatively low, and consider information relating to their financial risk management objectives and policies to be insignificant for the assessment of assets, liabilities, financial position and profit and loss of the Company.

By order of the Board



John Rawle  
Director

Date 16th September 2020

Registered number: 08032298

The Directors consider the Company's exposure to price risk, interest rate risk, credit risk, foreign currency risk, liquidity risk and cash flow risk to be relatively low, and consider information relating to their financial risk management objectives and policies to be insignificant for the assessment of assets, liabilities, financial position and profit and loss of the Company.

#### **Dividends**

£693,151 dividend paid during the year (2018 £1,400,000).

#### **Going Concern**

The Company participates in the Airbus S.E group's centralised treasury arrangements and shares banking arrangements with its parent and fellow subsidiary undertakings.

The significant activity of the company includes directly supporting maintenance of the UK RAF fleet of A400M aircraft. This is via the government contract "A400M UK Medium Term In-Service Support (A400M/097)". The contract remains until 2026.

The Directors have also assessed the impact of the Covid-19 virus on business operations and customer requirement. The company has ensured the introduction of safe working practices for staff and stakeholders. Any cost and risk impact is understood, well managed and is not material to affect the financial statements.

The Company has a continuing Service Level Agreement (SLA) with ADS SAU, on behalf of AMSL which is Airbus' primary contracting entity for the "A400M UK Medium Term In-Service Support (A400M/097)" contract. Both are wholly owned Airbus entities incorporated in Spain. The company has received a "letter of comfort" that the SLA will continue for at least 12 months from date of signature of the financial statements.

Airbus SE Treasury have confirmed support up to €3m for a period of at least the next 12 months. The Group Treasury have confirmed that they are operating within this arrangement and are forecast to do so throughout the going concern outlook period.

The Directors conclude that the requirement of the UK customer continues. It is strategically important to the UK national defence capability and is not diminished by the Covid-19 crisis.

As a result, the Directors' expect that the Company will be able to continue in operational existence for the foreseeable future, and the financial statements have been prepared on the going concern basis.

#### **Directors of the Company**

The members of the Board who served during the year and subsequently are as follows:

I.C.Burrett  
J.M.Rawle

Registered number: 08032298

The Company has indemnified the director's against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and at the date of approving the director's report.

#### **Environment**

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the Company's activities. Initiatives designed to minimise the Company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

#### **Financial Instruments**

The Company finances its activities with a combination of group loans, cash and short term deposits. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities. Financial instruments give rise to foreign currency, interest rate, credit and liquidity risk. Information on how these risks arise is set out in the Strategic Report.

Registered number: 08032298

#### **Statement of director's responsibilities**

The Directors are responsible for preparing the Directors' Report, Strategic Report and the Financial Statements in accordance with applicable UK law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose within 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.

#### **Provision of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

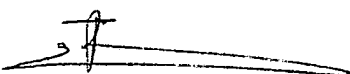
- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- that the director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

#### **Auditors**

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

By order of the Board



John Rawle  
Director

Date 16th September 2020

THIS DOCUMENT IS NOT SUBJECT TO EXPORT CONTROL.

Registered number: 08032298

### **Opinion**

We have audited the financial statements of Airbus Military UK Limited for the year ended 31 December 2019 which comprise Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profits for the year 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.

### **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 below. 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.

### **Emphasis of matter – Effects of COVID-19**

We draw your attention to Note 2 and Note 16 of the financial statements, which describes the economic and social disruption the company is facing as a result of COVID-19 which is impacting supply chains, consumer demand, personnel available for work and or being able to access offices. Our opinion is not modified in respect of this matter.

### **Conclusions relating to going concern**

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

- the director's 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.

THIS DOCUMENT IS NOT SUBJECT TO EXPORT CONTROL.



Registered number: 08032298

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have 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 strategic report or 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.

THIS DOCUMENT IS NOT SUBJECT TO EXPORT CONTROL.

Registered number: 08032298

### **Responsibilities of directors**

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 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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

*Ernst & Young LLP*

John Howarth (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Bristol

Date: September 17, 2020

Airbus Military UK Limited  
Income Statement  
For the year ended 31 December 2019

Registered number: 08032298

		2019 £	2018 £
<b>Turnover</b>	3	22,135,285	18,191,199
Cost of sales		<u>(18,866,951)</u>	<u>(15,502,227)</u>
<b>Gross Profit</b>		3,268,334	2,688,972
Administration (expense)		<u>(1,634,306)</u>	<u>(1,596,144)</u>
<b>Operating Profit</b>		1,634,028	1,092,828
Interest income	5	36,771	10,512
<b>Profit on ordinary activities before, taxation</b>		<u>1,670,799</u>	<u>1,103,340</u>
Tax on profit on ordinary activities	7	<u>(322,715)</u>	<u>(168,734)</u>
<b>Retained profit for the financial year</b>		<u>1,348,084</u>	<u>934,606</u>

All of the above are derived from the continuing activities of the Company.

	2019 £	2018 £
<b>Profit for the financial year</b>	1,348,084	934,606
<b>Total comprehensive income</b>	<u>1,348,084</u>	<u>934,606</u>

Airbus Military UK Limited  
Statement of Changes in Equity  
For the year ended 31 December 2019

Registered number: 08032298

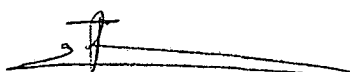
	Share capital	Retained earnings	Total £
	£	£	
At 1 January 2018	1	1,463,190	1,463,191
Profit for the financial year	-	934,606	1,416,193
Dividends	-	(1,400,000)	(1,400,000)
Tax Loss Purchased	-	(131,357)	(131,357)
At 31 December 2018	1	866,439	866,440
Profit for the financial year	-	1,348,084	1,348,084
Dividends	-	(693,151)	(693,151)
Tax Loss Purchased		131,357	131,357
At 31 December 2019	1	1,652,729	1,652,730

Airbus Military UK Limited  
Balance Sheet  
For the year ended 31 December 2019

Registered number: 08032298

	Notes	2019 £	2018 £
<b>Fixed Assets</b>			
Tangible Assets	8	657,271	876,418
Right of Use Assets	9	6,431,447	-
Deposits	10	600,592	600,592
		<u>7,689,310</u>	<u>1,477,010</u>
<b>Current assets</b>			
Stocks		164,679	170,644
Debtors falling due within one year	11	20,100,777	8,161,960
Debtors falling due after one year	11	219,834	223,050
Cash		11,039	24,292
		<u>20,496,329</u>	<u>8,579,946</u>
<b>Current liabilities</b>			
Creditors amounts falling due within one year	12	(20,607,167)	(9,190,516)
<b>Net current (liabilities)</b>		<u>(110,838)</u>	<u>(610,570)</u>
<b>Total assets less current liabilities</b>		<u>7,578,472</u>	<u>866,440</u>
Creditors: amounts falling due after more than one year	13	(5,925,742)	-
<b>Net assets</b>		<u>1,652,730</u>	<u>866,440</u>
<b>Capital and reserves</b>			
Called-up share capital	14	1	1
Retained earnings		1,652,729	866,439
<b>Total equity</b>		<u>1,652,730</u>	<u>866,440</u>

Approved by the Board on and signed on its behalf by:

  
John Rawle  
Director

Date: 16th September 2020

THIS DOCUMENT IS NOT SUBJECT TO EXPORT CONTROL.

Registered number: 08032298

## **1 Authorisation of financial statements and statement of compliance with FRS 101**

The financial statements of Airbus Military UK Limited (the Company) for the year ended 31 December 2019 were authorised for issue by the board of directors on the date shown on the balance sheet.

Airbus Military UK Limited is a Company limited by shares, incorporated and domiciled in England and Wales.

The address of the registered office is given on the Company information page . The nature of the Company's operations and its principal activities are set out on page 2.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS101) and in accordance with applicable accounting standards

## **2 Accounting policies**

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2019.

### **2.1 Basis of preparation**

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share Based Payment, because the share based payment arrangement concerns the instruments of another entity;
- b) the requirements of IFRS 7 Financial Instruments: Disclosures;
- c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- d) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - i. paragraph 79(a)(iv) of IAS 1;
  - ii. paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - iii. paragraph 118(e) of IAS 38 Intangible Assets;
- e) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111, and 134-136 of IAS 1 Presentation of Financial Statements;
- f) the requirements of IAS 7 Statement of Cash Flows;
- g) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and errors;

THIS DOCUMENT IS NOT SUBJECT TO EXPORT CONTROL.

Registered number: 08032298

## **2.1 Basis of preparation (continued)**

- h) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- i) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is
- j) wholly owned by such a member ; and
- k) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of assets.

## **2.2 Going Concern**

The financial statements have been prepared on a going concern basis, which assumes the Company will be able to meet its liabilities as they fall due, for at least the next 12 months. The Directors recognise the impact of COVID-19 subsequent to the year end (see Note 16).

The going concern basis has been adopted for the following reasons. The Company participates in the Airbus S.E group's centralised treasury arrangements and shares banking arrangements with its parent and fellow subsidiary undertakings. And, the significant activity of the company includes directly supporting maintenance of the UK RAF fleet of A400M aircraft. This is via the government contract "A400M UK Medium Term In-Service Support (A400M/097)". The contract remains until 2026.

The Company has a continuing Service Level Agreement (SLA) with ADS SAU, on behalf of AMSL which is Airbus' primary contracting entity for the "A400M UK Medium Term In-Service Support (A400M/097)" contract. Both are wholly owned Airbus entities incorporated in Spain. The company has received a "letter of comfort" that the SLA will continue for at least 12 months from date of signature of the financial statements.

## **2.3 Judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

There are considered to be no significant judgements made that have had a significant effect on amounts recognised in the financial statements.

## **Foreign currency translation**

The Company financial statements are presented in sterling, which is also the Company's functional currency.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

THIS DOCUMENT IS NOT SUBJECT TO EXPORT CONTROL.

Registered number: 08032298

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Income Statement

## **2.3 Judgements and key sources of estimation uncertainty (continued)**

### **Intangible fixed assets and amortization**

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Software - 3 years

Intangible assets are assessed for impairment whenever there is an indication that the asset may be impaired. The amortisation period is reviewed each financial year end. Changes in the expected useful life or expected pattern of consumption of future economic benefit embodied in the asset is accounted for by changing the amortisation period or method as appropriate, and treated as a change in accounting estimate.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are recorded at historic cost. Depreciation is provided on all tangible fixed assets, on a straight line basis at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Leasehold improvements - 10 years

Plant and machinery - 3 years

Furniture, fixtures and fittings- 5 years

The carrying values of tangible fixed assets are reviewed for impairment if any events or changes in circumstance indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

### **Provisions for liabilities**

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The expense relating to any provision is presented in the income statement net of any reimbursement.

### **Trade and other debtors**

Trade debtors, which generally have 30-90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at

THIS DOCUMENT IS NOT SUBJECT TO EXPORT CONTROL.



Registered number: 08032298

amortised cost. Provision for impairment is made through the Income Statement when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

### **2.3 Judgements and key sources of estimation uncertainty (continued)**

#### **Taxation**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

#### **Deferred tax**

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the Income Statement.

#### **Interest bearing loans and borrowings**

All interest-bearing loans and borrowings are initially recorded at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by the repayments made in the period. Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

#### **Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration receivable, excluding discounts, rebates, value added tax and other sales taxes.

Registered number: 08032298

## 2.4 Change in accounting policies and disclosures

Initial adoption of:

### IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-incentives and SIC-27 Evaluating the Substance of Transactions.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. At the commencement date of the lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

### Transition to IFRS 16

The Group adopted IFRS 16 modified retrospective approach to each reporting period in 2019, with no adjustment through equity. The group has elected to apply the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4, previously classified as operating leases.

In addition, the following practical expedients have been applied to the transition:

- Contracts taken out with residual terms less than 12 months starting from 1 January 2019 are not included for as a Right-of-use asset.
- Discount rates applied as of the transition date are based on incremental borrowing rates to take account of any specific economic environment. These discount rates are determined with respect of the remaining terms of leases from the date of first application.

	As Reported	IFRS 16 adjustments	Restated
<b>Fixed Assets</b>			
Right-of-use assets	-	7,006,131	7,006,131
<b>Current Liabilities</b>			
lease liabilities	-	(537,006)	(537,006)
<b>Non current liabilities</b>			
lease liabilities	-	(6,469,125)	(6,469,125)
	<u>-</u>	<u>-</u>	<u>-</u>

THIS DOCUMENT IS NOT SUBJECT TO EXPORT CONTROL.

Registered number: 08032298

### 3 Turnover

Turnover, excluding VAT, includes the recharge of specific costs to the Airbus Defence and Space S.A.U at an agreed mark up.

All turnover in the year arose in the United Kingdom.

### 4 Operating profit

Operating profit is stated after charging:

	2019 £	2018 £
Auditor's remuneration:		
- Audit services	18,640	16,480
Depreciation of owned assets	285,622	311,224
Foreign exchange loss	24,105	13,192
	<hr/>	<hr/>

### 5 Interest Receivable/(Payable)

	2019 £	2018 £
Interest on amounts owed to group undertakings	39,137	21,400
External loan interest	(2,366)	(10,888)
	<hr/>	<hr/>
	36,771	10,512
	<hr/>	<hr/>

### 6 Directors' remuneration and employees

During the year the Company has been charged £342,497 (2018 : £346,761) by another group Company in relation to director qualifying services provided. No direct remuneration was paid to any director during the period.

The Company has no employees (2018: nil)

Registered number: 08032298

**7 Tax on (loss) / profit on ordinary activities**

	2019	2018
	£	£
<i>(a) Tax charged in the income statement:</i>		
<b>Current income tax</b>		
UK corporation tax	(434,443)	(223,387)
Amounts underprovided in previous periods	114,944	(76,088)
<b>Total current income tax</b>	<b>(319,499)</b>	<b>(299,475)</b>
<b>Deferred tax:</b>		
Origination & reversal of temporary differences	(9,551)	(16,005)
Impact of change in tax laws and rates	-	-
Amounts overprovided in previous years	6,335	146,746
<b>Total deferred tax</b>	<b>(3,216)</b>	<b>130,741</b>
<b>Total tax credit in the income statement</b>	<b>(322,715)</b>	<b>(168,734)</b>
<i>(b) Reconciliation of the total tax charge:</i>		
tax expense in the income statement for the year is lower than the standard rate of corporation tax of 19% (2018: 19%). The differences are reconciled below:		
Accounting profit/(loss) before income tax	1,670,799	1,103,340
Tax calculated at UK standard rate of corporation tax in the UK of 19% (2018:19%)	(317,452)	(209,635)
Disallowed expenses and non-taxable income	(127,666)	(31,640)
Change in tax laws and rate	1,124	1,883
Prior year corporation tax credit	121,279	70,658
<b>Total tax (charge) / credit reported in the income statement</b>	<b>(322,715)</b>	<b>(168,734)</b>

*(c) Change in Corporation Tax rate*

During 2020, the Finance Act 2020 was enacted and included legislation to reverse the planned reduction in the main rate of corporation tax to 17% from 1 April 2020. As this was substantively enacted at the year-end balance sheet date, deferred tax has continued to be recognised at 17%.

Registered number: 08032298

	2019 £	2018 £
<i>(d) Deferred tax asset</i>		
The deferred tax included in the balance sheet relates to the following:		
Accelerated capital allowances	213,459	223,050
General Provisions	6,375	
	<u>219,834</u>	<u>223,050</u>
<b>Disclosed in the balance sheet</b>		
Deferred tax asset (included in Debtors – Note 10)	219,834	223,050
	<u>219,834</u>	<u>223,050</u>

## 8 Tangible Assets

	<i>Leasehold improvements</i> £	<i>Plant and machinery</i> £	<i>Fixtures and fittings</i> £	<i>Total</i> £
Cost:				
At 1 January 2019	1,499,800	842,907	168,570	2,511,277
Additions	-	66,475	-	66,475
Reclass	(188,174)	218,985	(30,811)	-
At 31 December 2019	<u>1,311,626</u>	<u>1,128,367</u>	<u>137,759</u>	<u>2,577,752</u>
Depreciation:				
At 1 January 2019	(890,155)	(609,381)	(135,323)	(1,634,859)
Provided during the year	(115,042)	(150,586)	(19,994)	(285,622)
Reclass	143,450	(171,949)	28,499	-
At 31 December 2019	<u>(861,747)</u>	<u>(931,916)</u>	<u>(126,818)</u>	<u>(1,920,481)</u>
Net book value:				
At 31 December 2019	<u>449,879</u>	<u>196,451</u>	<u>10,941</u>	<u>657,271</u>
At 1 January 2019	<u>609,645</u>	<u>233,526</u>	<u>33,247</u>	<u>876,418</u>

THIS DOCUMENT IS NOT SUBJECT TO EXPORT CONTROL.

Registered number: 08032298

## 9 IFRS 16 Right-of-Use-assets

	<i>Right-of-Use Land &amp; buildings £</i>	<i>Right-of-Use Plant &amp; Machinery £</i>	<i>Total £</i>
Cost:			
At 1 January 2019	6,871,926	134,205	7,006,131
At 31 December 2019	6,871,926	134,205	7,006,131
Depreciation:			
At 1 January 2019	-	-	-
Provided during the year	(540,398)	(34,286)	(574,684)
At 31 December 2019	(540,398)	(34,286)	(574,684)
Net book value:			
At 31 December 2019	6,331,528	99,919	6,431,447
At 31 December 2018	-	-	-

## 10 Investments – non - current

	2019 £	2018 £
Cash lease rent deposit	600,592	600,592
	600,592	600,592

Airbus Military UK Limited  
Notes to the financial statements  
At 31 December 2019

Registered number: 08032298

**11 Debtors**

	2019	2018
	£	£
<i>Amounts falling due within one year:</i>		
Trade Debtors	-	-
Prepayments and Accrued Income	5,623,234	3,648,146
Amounts due from group undertakings	5,203,978	193,091
Loan to parent undertaking*	8,967,037	4,028,591
Other debtors	306,528	292,132
	<u>20,100,777</u>	<u>8,161,960</u>

\*The company participates in the Airbus Group's cash-pooling arrangements. This value represents the company's share in this arrangement and the company considers this to be cash equivalent.

*Amounts falling due after more than one year:*

Deferred tax asset	219,834	223,050
	<u>219,834</u>	<u>223,050</u>

Loans to the parent undertaking Airbus S.E. are unsecured, have no fixed date of repayment and attract the following interest rates.

Euro balances	EURIBOR 1 month - 0.05%
Sterling Pound balances	LIBOR 1 month - 0.05%

**12 Creditors: amounts falling due within one year**

	2019	2018
	£	£
Current instalment due on external loans	-	(111,721)
Lease Liabilities	(544,228)	-
Accruals	(4,149,703)	(4,626,085)
Other creditors and accruals	(15,596,781)	(985,557)
Amounts owed to group undertakings	(316,455)	(3,467,153)
	<u>(20,607,167)</u>	<u>(9,190,516)</u>

THIS DOCUMENT IS NOT SUBJECT TO EXPORT CONTROL.

Registered number: 08032298

**13 Creditors: amounts falling due in more than one year**

	2019	2018
	£	£
Lease Liabilities	(5,925,742)	-
	<u>(5,925,742)</u>	<u>-</u>

**14 Share capital**

	2019	2018
	£	£
Authorised, allotted, called up and fully paid		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

**15 Parent undertakings and controlling party**

The Company's ultimate parent Company and controlling party is considered by the Director to be Airbus S.E (formally known as Airbus Group S.E), which is registered in The Netherlands. Airbus S.E. is the parent undertaking of the largest group of undertakings of which the Company is a subsidiary undertaking for which group financial statements are prepared. The parent undertaking of the smallest such group of undertakings of which the Company is a subsidiary undertaking is Airbus Defence and Limited, which is registered in the UK. Copies of the financial statements of Airbus S.E. and Airbus Defence and Space Limited are available from The Secretary, Airbus S.E., Mendelweg 30, 2333 CS Leiden, The Netherlands.<sup>3</sup>

**16 Post Balance sheet events**

The impact of the COVID-19 global pandemic on the Company's operations and trading have been detailed within the Directors' Report on page 3.

Management have determined that COVID-19 is a non-adjusting post balance sheet event as at 31 December 2019. The business based this assessment off the following facts:

- The World Health Organisation did not declare COVID as a global health emergency until 30 January 2020
- The UK lockdown did not come into effect until the 20 March 2020.
- The Company's business and ultimate customer demand is not significantly affected by the COVID-19 situation at time of signing the accounts.

There has been no significant impact on the financial position of Airbus Military UK Limited in respect of COVID-19.

THIS DOCUMENT IS NOT SUBJECT TO EXPORT CONTROL.