Airbus Military UK Limited

Report and Financial Statements

31 December 2020

Registered number: 08032298

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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

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West Oxfordshire

Business Park Carterton

OX183YJ

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Airbus Military UK Limited
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Principal activity

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

Business Review

The Profit for the year, after taxation is £1,486,305 (2019 £1,348,084).

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.

The company's turnover is entirely derived from inter-group business, primarily for the local delivery of contracts held between another group company and the UK MoD. The company's costs are fully recovered as part of its Service Level Agreement and programme directives

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.

Interest rate risk

We have identified that there is a risk due to the interest rate fluctuations as the rate is linked to EURIBOR, however, the Company is able to recover all costs from internal customers, therefore, the risk is transferred to other entities within the group.

Credit, liquidity and cash flow risk

We have considered the credit risk to be insignificant and mitigated based on recovering all costs from internal customers, therefore, the risk is transferred to other entities within the group. The Company also utilises the cash and overdraft borrowing facilities provided by Airbus S.E. group to manage any liquidity and cash flow risks faced.

By order of the Board

John Rawle
Director
Date 15th June 2021

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Registered number: 08032298

The Director's present strategic report for the year ended 31 December 2020.

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.

Dividends
£1,100,000 dividend paid during the year (2019 £693,151).

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. Additional costs incurred as a result of the crisis are already booked in the accounts. These costs have not had a material impact on the operations of the business or have had a material effect on the financial statements (less than 1% of cost of Sales). There are not expected to be future material ongoing costs as a result of the pandemic. The risk impact is understood, well managed and is no longer a feature of the Company's risk register.

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 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 the date of signature of the financial statements.

Airbus S.E Treasury have confirmed support up to €3m for a period of at least the next 12 months. The Group Treasury have confirmed 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 of the assessments made for at least the next 12 months to June 2022, 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.

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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

Subsequent to the year ended 31 December 2020, Richard Franklin was appointed as a director from 9 March 2021.

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.

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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 15th June 2021

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Opinion

We have audited the financial statements of Airbus Military UK Limited for the year ended 31 December 2020 which comprise Income Statement, the Balance Sheet, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 15, 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" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

give a true and fair view of the company's affairs as at 31 December 2020 and of its profit 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.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least 12 months to June 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. 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.

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 contained within the annual report.

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.

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 course of 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 themselves. 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.

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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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting

framework (FRS 101 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom.

- We understood how Airbus Military UK is complying with those frameworks by making enquiries of management, those responsible for legal and compliance and the company secretary to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through our review of board minutes and correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of board minutes and correspondence with relevant authorities, inquires of management and those charged with governance and legal counsel. Where the risk was considered higher, we performed audit procedures to address each fraud risk. These procedures included testing journals identified by specific risk criteria, and testing specific transactions back to source documentation or independent confirmation.

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.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

John Howarth

John Howarth (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol
Date: 16 June 2021

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Airbus Military UK Limited
Income Statement
For the year ended 31 December 2020

Registered number: 08032298

		2020 £	2019 £
Turnover	3	22,033,217	22,135,285
Cost of sales		(19,180,312)	(18,866,951)
Gross Profit		2,852,905	3,268,334
Administration (expense)		(1,557,554)	(1,634,306)
Operating Profit		1,295,351	1,634,028
Interest income	5	17,649	36,771
Profit on ordinary activities before, taxation		1,313,000	1,670,799
Tax on profit on ordinary activities	7	173,305	(322,715)
Retained profit for the financial year		1,486,305	1,348,084

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

	2020 £	2019 £
Profit for the financial year	1,486,305	1,348,084
Total comprehensive income	1,486,305	1,348,084

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Airbus Military UK Limited
Statement of Changes in Equity
For the year ended 31 December 2020

Registered number: 08032298

	Share capital	Retained earnings	Total
	£	£	£
At 1 January 2019	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
Profit for the financial year	-	1,486,305	1,486,305
Dividends	-	(1,100,000)	(1,100,000)
At 31 December 2020	1	2,039,034	2,039,035

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Airbus Military UK Limited
Balance Sheet
For the year ended 31 December 2020

Registered number: 08032298

	Notes	2020 £	2019 £
Fixed Assets			
Tangible Assets	8	368,820	657,271
Right of Use Assets	9	5,855,501	6,431,447
Deposits	10	603,568	600,592
		6,827,889	7,689,310
Current assets			
Stocks		156,127	164,679
Debtors falling due within one year	11	6,512,033	20,100,777
Debtors falling due after one year	11	266,431	219,834
Cash		-	11,039
		6,934,591	20,496,329
Current liabilities			
Creditors amounts falling due within one year	12	(6,368,160)	(20,607,167)
Net current assets/(liabilities)		566,431	(110,838)
Total assets less current liabilities		7,394,320	7,578,472
Creditors: amounts falling due after more than one year	13	(5,355,285)	(5,925,742)
Net assets		2,039,035	1,652,730
Capital and reserves			
Called-up share capital	14	1	1
Retained earnings		2,039,034	1,652,729
Total equity		2,039,035	1,652,730

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

John Rawle
Director

Date: 15th June 2021

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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 2020 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 2020.

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;

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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 going concern basis has been adopted for the following reasons. The Company participates in the parent company, Airbus S.E, centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiary undertakings. Airbus SE Treasury have confirmed support for a period of at least the next 12 months to support the Net Current Liability position and Losses recognised at the 31 December 2020. The Group Treasury have confirmed that they are operating within this arrangement, up to the limit of €3,000,000, and are forecast to do so throughout the going concern outlook period. The Directors have performed forecasts for a period of 12 months from the signing of the accounts and have concluded that they will not need to utilise the full facility at any point.

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.

Judgements within business include Deferred Tax asset recoverability and useful economic life, however these are not considered to have a significant effect on amounts recognised in the financial statements.

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2.3 Judgements and key sources of estimation uncertainty (continued)

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.

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

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.

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2.3 Judgements and key sources of estimation uncertainty (continued)

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 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.

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.

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2.3 Judgements and key sources of estimation uncertainty (continued)

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.

Revenue is recognised in the period costs are recognised. The Company recovers costs from internal customers on a cost plus basis at an agreed margin.

IFRS 16 Leases

Right of use assets

The Company leases mainly real estate assets, cars and equipment.

The Company recognises a right-of-use asset at the lease commencement date. The discount rate used to determine the right of use asset is calculated based on the incremental borrowing rate at inception of the lease. The Company calculated the rate applicable to each lease contract on the basis of the lease duration. Right of use assets are depreciated using a straight line method from commencement date to the earlier of the end of the useful life or the end of the lease terms.

Lease Liability

At the commencement date of the lease, the Company recognises lease liabilities at the present value of lease payments paid over the lease term. Discount rates applied are based on incremental borrowing rates to take account of any specific economic environment. These discount rates are determined with respect to the remaining terms of leases from the date of first time application.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease terms of 12 months or less and low-value assets less than £5,000. The expense in relation to short-term and low-value assets is insignificant. The Group recognises the lease payments associated with these leases as an expenses on a straight line basis over the lease term.

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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:

	2020	2019
	£	£
Auditor's remuneration:		
- Audit services	18,640	18,640
Depreciation of owned assets	442,281	285,622
Foreign exchange loss	49,412	24,105

5 Interest Receivable/(payable)

	2020	2019
	£	£
Interest on amounts owed to group undertakings	13,450	39,137
External loan interest Received/(paid)	4,199	(2,366)
	17,649	36,771

6 Directors' remuneration and employees

During the year the Company has been charged £327,986 (2019 : £342,497) 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 (2019: nil)

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7 Tax on profit on ordinary activities

	2020	2019
	£	£
(a) Tax charged in the income statement:		
Current income tax		
UK corporation tax	(144,807)	(434,443)
Amounts underprovided in previous periods	271,515	114,944
Total current income tax	126,708	(319,499)
Deferred tax:		
Origination & reversal of temporary differences	21,424	(9,551)
Impact of change in tax laws and rates	25,791	-
Amounts overprovided in previous years	(618)	6,335
Total deferred tax	46,597	(3,216)
Total tax Credit/(charge) in the income statement	173,305	(322,715)

(b) Reconciliation of the total tax charge:
tax expense in the income statement for the year is lower than the standard rate of corporation tax of 19% (2019: 19%). The differences are reconciled below:

Accounting Profit before income tax	1,313,000	1,670,799
Tax calculated at UK standard rate of corporation tax in the UK of 19% (2019:19%)	(249,470)	(317,452)
Disallowed expenses and non-taxable income	(18,720)	(127,666)
Change in tax laws and rate	25,790	1,124
Group relief receivable	144,807	-
Prior year corporation tax credit	270,898	121,279
Total tax Credit/(charge) reported in the income statement	173,305	(322,715)

(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. During 2021 it was announced that the corporation tax rate will increase to 25% from 1 April 2023. As this was not substantively enacted at the year-end balance sheet date, deferred tax has continued to be recognised at 19%.

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	2020 £	2019 £
(d) Deferred tax asset		
The deferred tax included in the balance sheet relates to the following:		
Accelerated capital allowances	256,931	213,459
Dilapidation Provision	9,500	6,375
	266,431	219,834
Disclosed in the balance sheet		
Deferred tax asset (included in Debtors – Note 10)	266,431	219,834
	266,431	219,834

8 Tangible Assets

	Leasehold improvements £	*Plant and machinery* £	*Fixtures and fittings* £	*Total* £
Cost:				
At 1 January 2020	1,311,626	1,128,367	137,759	2,577,752
Additions	-	134,558	19,272	153,830
Reclass	(253,699)	271,356	(17,657)	-
At 31 December 2020	1,057,927	1,534,281	139,374	2,731,582
Depreciation:				
At 1 January 2020	(861,747)	(931,916)	(126,818)	(1,920.481)
Provided during the year	(178,894)	(243,457)	(19,930)	(442,281)
Reclass	253,699	(266,791)	13,092	-
At 31 December 2020	(786,942)	(1,442,164)	(133,656)	(2,362,762)
Net book value:				
At 31 December 2020	270,985	92,117	5,718	368,820
At 31 December 2019	449,879	196,451	10,941	657,271

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9 IFRS 16 Right-of-Use-assets

	Right-of-Use Land & buildings	*Right-of-Use Plant & Machinery*	*Total*
	£	£	£
Cost:			
At 1 January 2020	6,871,926	134,205	7,006,131
Reclass	(16,640)	-	(16,640)
Additions	-	30,058	30,058
At 31 December 2020	6,855,286	164,263	7,019,549
Depreciation:			
At 1 January 2020	(540,398)	(34,286)	(574,684)
Provided during the year	(538,564)	(50,800)	(589,364)
At 31 December 2020	(1,078,962)	(85,086)	(1,164,048)
Net book value:			
At 31 December 2020	5,776,324	79,177	5,855,501
At 31 December 2019	6,331,528	99,919	6,431,447

10 Deposits

	2020	2019
	£	£
Cash lease rent deposit	603,568	600,592
	603,568	600,592

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11 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Prepayments and Accrued Income	5,518,851	5,623,234
Amounts due from group undertakings	-	5,203,978
Loan to parent undertaking*	-	8,967,037
Other debtors	993,182	306,528
	6,512,033	20,100,777
Amounts falling due after more than one year:		
Deferred tax asset	266,431	219,834
	266,431	219,834

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

	2020	2019
	£	£
Lease Liabilities	(565,757)	(544,228)
Accruals	(4,847,129)	(4,149,703)
Other creditors and accruals	(940,379)	(15,596,781)
Amounts owed to group undertakings	-	(316,455)
Loan from parent undertaking	(14,895)	-
	(6,368,160)	(20,607,167)

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12 Creditors: amounts falling due within one year (continued)

Loans due 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 + 0.30%
US Dollar balances	LIBOR 1 month + 0.30%
Sterling Pound balances	LIBOR 1 month + 0.30%
Other currency balances	LIBOR 1 month + 0.40%

13 Creditors: amounts falling due in more than one year

	2020	2019
	£	£
Lease Liabilities	(5,355,285)	(5,925,742)
	(5,355,285)	(5,925,742)

14 Share capital

	2020	2019
	£	£
Authorised, allotted, called up and fully paid		
Ordinary shares of £1 each	1	1

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.3

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