

Registration number: 09497265

Trident Aviation Leasing Services (UK) Limited
Directors' Report and Financial Statements
for the Financial Year Ended 31 December 2022

WEDNESDAY



ACGSVYPD

A20

22/11/2023

#63

COMPANIES HOUSE

Contents

| | |
|---|---------|
| Company Information | 1 |
| Strategic Report | 2 - 3 |
| Directors' Report | 4 |
| Statement of Directors' Responsibilities | 5 |
| Independent Auditors's Report | 6 - 8 |
| Statement of Income and Retained Earnings | 9 |
| Statement of Financial Position | 10 |
| Notes to the Financial Statements | 11 - 16 |

Company Information

| | |
|----------------------------|--|
| Directors | J. Barnes M. Brennan S. Dichlian |
| Company secretary | Maples Fiduciary Services (UK) Limited (appointed 16 June 2022) S. Dichlian (resigned 16 June 2022) |
| Registration number | 09497265 |
| Registered office | 11th Floor 200 Aldersgate Street London EC1A 4HD |
| Banker | Bank of America N.A. 2 King Edward Street London EC1A 1HQ |
| Independent auditor | Deloitte Ireland LLP Statutory Auditor Chartered Accountants and Statutory Audit Firm 29 Earlsfort Terrace Dublin 2 Ireland |

Strategic Report for the Year Ended 31 December 2022

The directors, in preparing this strategic report, have complied with section 414C of the Companies Act 2006.

Principal activity

The principal activity of Trident Aviation Leasing Services (UK) Limited (the "Company") is commercial aircraft leasing. The Company operates as both a lessee and lessor by leasing aircraft from group companies and sub-leasing these aircraft on to commercial airlines. All leases are operating leases. The Company does not own aircraft.

Review of the business

The Company's loss for the year, before taxation, was US\$1,504,280 (2021: US\$208,731 profit before taxation). No dividend was proposed and paid during the year (2021: US\$nil) to the parent company.

The directors are satisfied with the Company's progress and no significant changes to the operation of the Company are anticipated in the foreseeable future.

Key performance indicators

In managing the Company, the directors use a series of key performance indicators against which the performance of the Company is measured. The principal indicators used include the following:

Lease rates achieved compared to market rates

No new leases or lease extensions were contracted during 2022 (2021: Nil). No aircraft were on lease at 31 December 2022 (2021: Nil).

Credit worthiness of customers and the level of lease income arrears

The credit worthiness of potential customers is investigated prior to entering into any transaction. The customer's ability to make payments and the level of lease income arrears is regularly reviewed and appropriate action taken where necessary.

Air Moldova, an airline which was leasing one aircraft from the Company, were issued with a notice of default in April 2020. No further lease rentals were received from the lessee. In January 2021, a redelivery agreement was contracted, whereby the lessee agreed to redeliver the aircraft and pay monthly redelivery payments over a 48 month period starting in May 2021. The aircraft was redelivered in March 2021. As at 31 December 2022, the aircraft is off-lease. The Company continues to invoice in accordance with the redelivery agreement. Due to uncertainty over recoverability, the sublease receivable and headlease payable (a net receivable of US\$105,500 (2021:US\$44,500)) at 31 December 2022 has been fully written-off at the year end. No amounts have been received from Air Moldova since the year end.

Principal risks and uncertainties

The directors continue to monitor the key risks and uncertainties facing the Company, including:

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. It is Company policy to investigate the credit worthiness of all counterparties prior to entering any transactions and to regularly review the counterparty's ability to make payments. Following a default, the sublease with Air Moldova and associated headlease were terminated in 2021, and the sublease receivable and headlease payable balances were written off at 31 December 2022.

Cash flow risk

Cash flow risk is defined as the risk of being unable to fulfil current or future payment obligations in full or at the due date. The cash position of the Company is constantly monitored and short, medium and long term cash flow forecasts are regularly reviewed and appropriate action taken, where necessary. Where the Company acts as both a lessee and lessor by leasing aircraft from group companies and sub-leasing these aircraft on to commercial airlines, the headlease amounts are only contractually payable to the extent that the corresponding sublease has been received by the Company.

Strategic Report for the Year Ended 31 December 2022

Foreign currency risk

Foreign currency risk is the potential change in income or the value of net worth arising from changes in currency exchange rates. The Company is incorporated in the United Kingdom. However, as sales are principally transacted in United States Dollars (US\$), the functional and presentation currency is United States Dollars (US\$). Most of the Company's transactions are undertaken in United States Dollars (US\$), and consequently are naturally hedged.

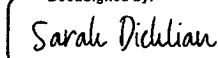
Future developments

Despite the trading challenges referenced above, the directors are satisfied with the Company's progress and no significant changes to the operation of the Company are anticipated in the foreseeable future.

17 November 2023

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

DocuSigned by:



FDC36878EBF64B2... ..

S. Dichlian

Director

Directors' Report for the Year Ended 31 December 2022

The directors present their annual report on the affairs of the Company, together with the audited financial statements and independent auditor's report, for the year ended 31 December 2022.

The review of business, key performance indicators, principal risks and uncertainties and future developments can be found in the Strategic report on pages 2 and 3 and form part of this report by cross reference.

Going concern

The Directors intend to liquidate the Company in the foreseeable future, however the exact date of the liquidation has not yet been determined. Thus, the Directors do not consider the Company to be a going concern and these financial statements have been prepared on a basis other than going concern.

Directors of the company

The directors who held office during the year were as follows:

N. Fegan (resigned 3 May 2022)
M Furstein (US) (resigned 3 May 2022)
J. Atkeson (US) (resigned 3 May 2022)
J. Barnes (appointed 3 May 2022)
M. Brennan (appointed 3 May 2022)
S. Dichlian (appointed 3 May 2022)

Charitable donations

The Company made no charitable donations or contributions to political organisations during the year (2021 US\$nil).

Subsequent events

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

Independent auditor

The independent auditor will be deemed to be reappointed and Deloitte Ireland LLP will therefore continue in office.

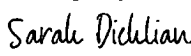
Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware.
- (2) the director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

17 November 2023

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

DocuSigned by:

FDC36878EBF64B2... ..
S. Dichlian
Director

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, disclose with reasonable accuracy at any time the financial position of the company, enable them to ensure that the financial statements comply with the Companies Act 2006, and enable the financial statements to be audited. 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.

Statement of Income and Retained Earnings for the Year Ended 31 December 2022

| | Note | 2022 US\$ | 2021 US\$ |
|--------------------------------------|------|----------------------|-------------------------|
| Turnover | 3 | 1,200,000 | 1,040,000 |
| Headlease cost | 5 | <u>(1,140,000)</u> | <u>(988,000)</u> |
| Gross profit | | 60,000 | 52,000 |
| Administrative expenses | | (98,775) | (31,912) |
| Other operating (expense)/income | 4 | <u>(1,465,505)</u> | <u>188,643</u> |
| (Loss)/profit before tax | 5 | (1,504,280) | 208,731 |
| Taxation | 9 | <u>(166)</u> | <u>(39,659)</u> |
| (Loss)/profit for the financial year | | (1,504,446) | 169,072 |
| Retained earnings brought forward | | <u>1,546,761</u> | <u>1,377,689</u> |
| Retained earnings carried forward | | <u><u>42,315</u></u> | <u><u>1,546,761</u></u> |

All of the results arise from continuing operations.

The Company has no recognised gains or losses in the financial year other than those dealt with in the statement of income and retained earnings. Accordingly, a statement of other comprehensive income for the year has not been presented.

The notes on pages 11 to 16 form an integral part of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRIDENT AVIATION LEASING SERVICES (UK) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Trident Aviation Leasing Services (UK) Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of income and retained earnings;
- the Statement of financial position;
- the accounting policies; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 – Financial statements prepared on a basis other than that of going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Other information

The other information comprises the information included in the Directors' Report and Financial Statements, 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 our report, we do not express any form of assurance conclusion thereon.

Continued on next page/

/Continued from previous page

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRIDENT AVIATION LEASING SERVICES (UK) LIMITED

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 this gives rise to 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations.

Continued on next page/

/Continued from previous page

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRIDENT AVIATION LEASING SERVICES (UK) LIMITED

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address this are described below:

- Accuracy of operating lease rentals: we assessed the design and determined the implementation of the controls in place which governs the recognition of revenue. We recalculated the lease income based on the terms of the lease agreement and obtained independent confirmation of lessee rent rates.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 the Directors' Report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Strategic report or the Directors' report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRIDENT AVIATION LEASING SERVICES (UK) LIMITED

Matters on which we are required to report by exception

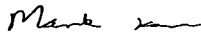
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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.



Mark Kerr
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

20 November 2023

Statement of Financial Position as at 31 December 2022

| | Note | 2022 US\$ | 2021 US\$ |
|---|------|-----------------|------------------|
| Current assets | | | |
| Debtors | 10 | 19,000 | 1,176,962 |
| Cash and cash equivalents | 11 | <u>107,381</u> | <u>428,015</u> |
| | | 126,381 | 1,604,977 |
| Creditors: Amounts falling due within one year | 12 | <u>(84,065)</u> | <u>(58,215)</u> |
| Net assets | | <u>42,316</u> | <u>1,546,762</u> |
| Capital and reserves | | | |
| Called up share capital | 13 | 1 | 1 |
| Retained earnings | | <u>42,315</u> | <u>1,546,761</u> |
| Shareholders' funds | | <u>42,316</u> | <u>1,546,762</u> |

17 November 2023

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

DocuSigned by:

 FDC36878EBF64B2...
 S. Dichlian
 Director

The notes on pages 11 to 16 form an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2022

1 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The functional and presentation currency of Trident Aviation Leasing Services (UK) Limited is considered to be US dollars because that is the currency in which the Company's sales are transacted.

Summary of disclosure exemptions

Trident Aviation Leasing Services (UK) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its ultimate parent company, Chorus Aviation Inc., which is publically available. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, disclosure of transactions or balances with other wholly owned subsidiaries of Chorus Aviation Inc. and disclosure of remuneration of key management personnel.

Going concern

The Directors intend to liquidate the Company in the foreseeable future, however the exact date of the liquidation has not yet been determined. Thus, the Directors do not consider the Company to be a going concern and these financial statements have been prepared on a basis other than going concern, which includes, where appropriate, writing down the Company's assets to net realisable value. Provision has also been made for any onerous contractual commitments at the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such were committed at the balance sheet date.

Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the statement of financial position date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the statement of financial position date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Operating expenses

The operating expenses of the Company are recognised in the financial statements on an accruals basis.

Notes to the Financial Statements for the Year Ended 31 December 2022

Tax

Tax shown on the statement of income and retained earnings comprises current and deferred tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the statement of financial position date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Interest income and expense

Interest income and expenses are recognised in the statement of income and retained earnings on an accruals basis by reference to the principal outstanding and at the effective interest rate applicable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are reported at the rates of exchange prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the statement of income and retained earnings.

Notes to the Financial Statements for the Year Ended 31 December 2022

Equity

Ordinary shares are classified as equity. Dividends are recognised in the financial year in which they are approved.

2 Critical accounting judgements and key sources of uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Recoverability of receivables

Using information available at the statement of financial position date and in the subsequent period, the Company reviews its receivables balances and makes judgements based on an assessment of past experience, debt ageing and known customer circumstance in order to determine the appropriate level of allowance required to account for potential irrecoverable trade receivables.

3 Turnover

The analysis of the Company's revenue for the year from continuing operations is as follows:

| | 2022 US\$ | 2021 US\$ |
|-----------------------------|------------------|------------------|
| Redelivery agreement income | <u>1,200,000</u> | <u>1,040,000</u> |

An analysis of the Company's turnover by geographical market is set out below:

| | 2022 US\$ | 2021 US\$ |
|--------|------------------|------------------|
| Europe | <u>1,200,000</u> | <u>1,040,000</u> |

4 Other operating expense/(income)

| | 2022 US\$ | 2021 US\$ |
|--|------------------|------------------|
| Loan waiver to parent company | 1,404,505 | - |
| (Write-back)/write-off of unrecoverable trade receivable | <u>61,000</u> | <u>(188,643)</u> |
| | <u>1,465,505</u> | <u>(188,643)</u> |

The write-off/(write-back) of unrecoverable trade receivable of US\$61,000 (2021: US\$(188,643)) represents the net arrears balance (sublease and headlease) in respect of one aircraft that was previously on lease with Air Moldova. The balance for 2021 represents a write-off of 2021 invoiced amounts of US\$44,500, and a write-back of excess amounts written-off in 2020 of US\$233,143.

Notes to the Financial Statements for the Year Ended 31 December 2022

5 (Loss)/profit before taxation

(Loss)/profit before tax is stated after charging:

| | 2022 US\$ | 2021 US\$ |
|----------------|------------------|----------------|
| Headlease cost | <u>1,140,000</u> | <u>988,000</u> |

6 Auditors' remuneration

| | 2022 US\$ | 2021 US\$ |
|-------------------------------|--------------|--------------|
| Audit of financial statements | <u>4,750</u> | <u>4,750</u> |
| Other fees to auditors | | |
| Taxation compliance services | <u>6,900</u> | <u>6,900</u> |

7 Staff costs

There were no employees in the year (2021: none) as all administrative activities of the Company are outsourced to Falko Regional Aircraft, a fellow group undertaking.

8 Directors' remuneration

The directors are not directly remunerated by the Company. The notional allocation of the cost to the Company for their services was US\$16,500 (2021: US\$16,500).

Notes to the Financial Statements for the Year Ended 31 December 2022

9 Taxation

Tax charged in the statement of income and retained earnings

| | 2022 US\$ | 2021 US\$ |
|---------------------------------------|--------------|--------------|
| Current tax on profit | | |
| Current tax charge | - | 39,659 |
| Adjustments in respect of prior years | 166 | - |
| Total current tax | 166 | 39,659 |
| Total tax charge | 166 | 39,659 |

Reconciliation of effective tax rate

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

| | 2022 US\$ | 2021 US\$ |
|---|--------------|--------------|
| (Loss)/profit before tax | (1,504,280) | 208,731 |
| Tax on profit/(loss) at the standard tax rate of corporation tax of 19% (2021: 19%) | (285,813) | 39,659 |
| Non-deductable expense | 266,856 | - |
| Group relief | 18,957 | - |
| Adjustment in respect of prior years | 166 | - |
| Total tax charge | 166 | 39,659 |

10 Debtors

| | 2022 US\$ | 2021 US\$ |
|----------------------------------|--------------|--------------|
| Accrued income | 19,000 | - |
| Amounts due from related parties | - | 1,174,505 |
| Prepayments | - | 2,457 |
| | 19,000 | 1,176,962 |

11 Cash and cash equivalents

| | 2022 US\$ | 2021 US\$ |
|--------------|--------------|--------------|
| Cash at bank | 107,381 | 428,015 |

Notes to the Financial Statements for the Year Ended 31 December 2022

12 Creditors: amounts falling due within one year

| | 2022 US\$ | 2021 US\$ |
|-----------------|---------------|---------------|
| Corporation tax | 39,825 | 39,659 |
| Accruals | 24,240 | 18,556 |
| Deferred income | 20,000 | - |
| | <u>84,065</u> | <u>58,215</u> |

13 Share capital

Allotted, called up and fully paid shares

| | 2022 | | 2021 | |
|---------------------------|----------|----------|----------|----------|
| | No. | £ | No. | £ |
| Ordinary share of £1 each | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

The US\$ equivalent of the allotted, called-up and fully paid shares is US\$1 (2021: US\$1).

The Company does not have a limit on authorised share capital. The board of directors are able to issue additional share capital in accordance with the Company articles of association.

14 Related party transactions

The directors have availed of the exemption in FRS102 for wholly-owned subsidiary undertakings from the requirement to provide details of transactions with fellow group companies where group financial statements are prepared and made available to the public. There are no other related party transactions requiring disclosures.

15 Parent and ultimate parent undertaking

The company's immediate parent is Triangle Aviation (UK) Holdings Limited, a company incorporated in the United Kingdom.

The Company's ultimate parent and controlling party is Chorus Aviation Inc., a publicly-listed company in Canada, with registered office at Chorus Aviation Inc. are maintained at 3 Spectacle Lake Drive, Dartmouth, Nova Scotia, Canada, B3B 1W8.

16 Subsequent events

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

17 Approval of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 17 November 2023.