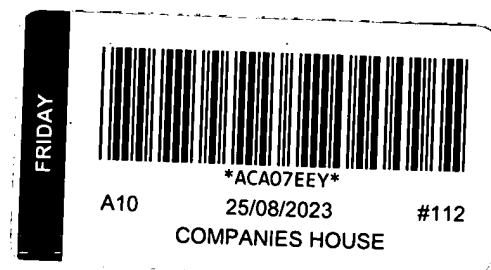


**COMPANY REGISTRATION NUMBER: 09608590**

**FINTAS AVIATION LEASING UK THREE LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 30 September 2022**



**FINTAS AVIATION LEASING UK THREE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**FINTAS AVIATION LEASING UK THREE LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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<b>Registered number</b>	09608590 (England and Wales)
<b>The Board of directors</b>	TMF Corporate Directors Limited Joint Corporate Services Limited Nita Savjani
<b>Company secretary</b>	TMF Corporate Administration Services Limited C/O Tmf Group, 13th Floor One Angel Court London, EC2R 7HJ United Kingdom
<b>Registered office</b>	C/O Tmf Group, 13th Floor One Angel Court London, EC2R 7HJ United Kingdom
<b>Auditors</b>	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

**FINTAS AVIATION LEASING UK THREE LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**INTRODUCTION**

The directors present their report on the affairs of Fintas Aviation Leasing UK Three Limited (the 'Company' or 'Lessor') together with the audited financial statements for the year ended 30 September 2022.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The Company was incorporated in England and Wales on 26 May 2015, as a private company limited by shares under Companies Act 2006 with the registration number 09608590. The Company is a special purpose vehicle established for the purpose of operating as a holding company of two aircrafts, type Airbus A320-232 with manufacturer's serial numbers 6655 and 6961 respectively, together with its engines (the 'Aircraft').

The Aircraft is owned by Mansuria Limited (the 'Head Lessor'), which has leased it to the Company. The Company has subleased the Aircraft to Aegean Airlines S.A. Limited (the 'Lessee'). The transaction is a "lease in – lease out" aviation deal.

The Company is 100% owned by ALAFCO Aviation Lease and Financing Company K.S.C.P. (the 'Shareholder')

**FINANCIAL RISK MANAGEMENT**

The most significant risks facing the Company are credit risk, liquidity risk, technical, maintenance and environmental risks and public liability risk. The Company is not exposed to other financial risks such as interest rate risk and price risk due to the nature of its operations.

***Foreign currency risk***

All material balances in the Company's assets and liabilities are denominated in US dollar which is the Company's functional and presentational currency and therefore there is no significant foreign currency risk. The Company is exposed to minimal foreign exchange exposure since the administrative expenses are incurred in a currency other than the US dollar. The risk is however very limited.

***Credit risk***

Credit risk arises from the possibility of the Lessee failing to meet its contractual obligations to the Company. The Company's ability to generate income is dependent on the financial position of the Lessee.

As per the terms of the aircraft lease agreement between the Company and the Lessee, the Lessee paid a security deposit equal to 2.5 times the basic rent. This amounted to USD742,695 and USD670,870 for MSN 6655 and MSN 6961 respectively. These amounts are held by the Shareholder on behalf of the Company.

The Company's cash and cash equivalents are held with Barclays Bank Plc, which was rated by Moody's Investor Service's as A1 at end of the reporting period.

**FINTAS AVIATION LEASING UK THREE LIMITED**  
**STRATEGIC REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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***Liquidity risk***

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

Management of liquidity risk is achieved by monitoring actual and forecasted cash flows.

***Financial risk management objectives and policies***

The objective of the Company's capital management is to ensure strong capital ratios. This will ensure that the business is correctly supported and shareholder value is maximised. The Company's capital is comprised of issued share capital and retained profit.

The Company manages its capital structure through adjustments dependent on economic conditions. In order to maintain or adjust the capital structure, the Company may choose to change or amend dividend payments or issue new share capital to its shareholder. There were no changes to the objectives, policies or processes during the year ended 30 September 2022.

***Technical, maintenance and environment risks***

The Lessee undertakes the responsibility for ensuring that the Aircraft comply with current environmental, technical and maintenance regulations and statutory obligations where necessary. The directors monitor these risks in the conjunction with the Shareholder.

***Public liability risk***

The Lessee is responsible for ensuring that the Aircraft have adequate insurance cover.

**FUTURE PROSPECTS AND DEVELOPMENTS**

The level of business at the year end and the financial position at 30 September 2022 were satisfactory, and the directors expect the level of activity to be sustained for the foreseeable future.

**GOING CONCERN**

Having considered the Company's actual and expected cashflows as well as the current position of the net assets appearing on the statement of financial position, the directors have a reasonable expectation that the Company is adequately resourced to continue in existence for the foreseeable future. Furthermore, the directors believe that the going concern basis is an appropriate basis for the preparation of the financial statements of the Company.

On behalf of the board



Nita Savjani  
Director  
Date: 17 August 2023

**FINTAS AVIATION LEASING UK THREE LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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The directors present their report and the audited financial statements for the year ended 30 September 2022.

**RESULTS AND DIVIDENDS**

The directors are satisfied with the results of operations of the Company for the current year and expect the Company will continue as a going concern for the foreseeable future.

The results for the year are set out on pages 9 to 12. The profit generated by the Company during the year is USD39,596 (2021: USD32,437). No dividends were paid by the Company during the financial year or in the prior reporting period.

**DIRECTORS**

The directors who served the Company during the year and to the date of approval of these financial statements were as follows:

- TMF Corporate Directors Limited
- Joint Corporate Services Limited
- Nita Savjani

**EMPLOYEES**

The Company had no employees during the financial period or prior period.

**DISCLOSURE OF INFORMATION TO AUDITORS**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

**AUDITORS**

The auditors, UHY Hacker Young LLP, is deemed to be reappointed as the auditor in accordance with section 487(2) of the Companies Act 2006.

This report was approved by the board on 15 August 2023 and signed on its behalf by:



Nita Savjani  
Director

**FINTAS AVIATION LEASING UK THREE LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**Statement of directors' responsibilities**

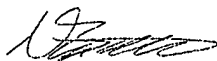
The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. 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 also required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board of directors on 15 August 2023 and signed on its behalf by:



Nita Savjani  
Director

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF  
FINTAS AVIATION LEASING UK THREE LIMITED  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**Opinion**

We have audited the financial statements of Fintas Aviation Leasing UK Three Limited (the 'Company') for the year ended 30 September 2022 which comprise the Statement of Comprehensive Income and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the United Kingdom; 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 twelve months from when the financial statements are authorised for issue.

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

**Other information**

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

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

We have nothing to report in this regard.



**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF  
FINTAS AVIATION LEASING UK THREE LIMITED (continued)  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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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 our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Directors' Report.

We have nothing to report in respect of the following matters where 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, 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.

Based on our understanding of the entity, we have identified that such irregularities will not impact the financial statements as the entity is a special purpose vehicle in respect of its lease-in-lease-out arrangement. However, we have identified that the entity has to comply with IFRS and Companies Act 2006 as these will have a direct impact on the preparation of the financial statements.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls) and we have identified that the likelihood of an unusual transaction outside the normal course of business is considered nil as all the transactions occurred during the year relate to the above-mentioned arrangement.

Audit procedures performed included: review of the financial statement and disclosures to underlying supporting documentation, review of contracts and related correspondences specifically in relation to the lease income receivables and the lease expense payables, enquiries of management and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, 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.

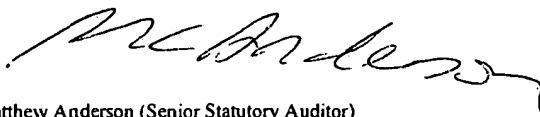
**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF  
FINTAS AVIATION LEASING UK THREE LIMITED (continued)  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.



Matthew Anderson (Senior Statutory Auditor)  
for and on behalf of UHY Hacker Young  
Chartered Accountants  
Statutory Auditor

Date: 17 August 2023

**FINTAS AVIATION LEASING UK THREE LIMITED**  
**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Note	30 September 2022 USD	30 September 2021 USD
<b>REVENUE</b>	3	6,785,112	6,785,112
<b>RENT EXPENSE</b>	4	(6,715,800)	(6,715,800)
<b>GROSS PROFIT</b>		<b>69,312</b>	<b>69,312</b>
Administrative expenses	5	(23,874)	(27,989)
<b>OPERATING PROFIT</b>		<b>45,438</b>	<b>41,323</b>
Foreign exchange (losses)/ gains		3,488	(1,277)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>48,926</b>	<b>40,046</b>
Taxation	6	(9,330)	(7,609)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>39,596</b>	<b>32,437</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>39,596</b>	<b>32,437</b>

All amounts relate to continuing operations.


The notes on pages 13 to 18 are an integral part of these financial statements.

**FINTAS AVIATION LEASING UK THREE LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2022**

	Note	30 September 2022 USD	30 September 2021 USD
<b>NON-CURRENT ASSETS</b>			
Security deposit	8	1,413,565	1,413,565
		<u>1,413,565</u>	<u>1,413,565</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	10	678,684	678,684
Cash	11	271,505	217,188
		<u>950,189</u>	<u>895,872</u>
<b>TOTAL ASSETS</b>		<u>2,363,754</u>	<u>2,309,437</u>
Trade and other payables	12	<u>714,147</u>	<u>699,428</u>
<b>NET CURRENT (LIABILITIES)/ ASSETS</b>		<u>236,042</u>	<u>196,445</u>
<b>NON-CURRENT LIABILITIES</b>			
Security deposit	9	1,413,565	1,413,565
		<u>1,413,565</u>	<u>1,413,565</u>
<b>NET ASSETS</b>		<u>236,041</u>	<u>196,445</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity capital	13	1	1
Retained profit		236,040	196,444
<b>TOTAL EQUITY</b>		<u>236,041</u>	<u>196,445</u>

The notes on pages 13 to 18 are an integral part of these financial statements.

The financial statements were approved by the board of directors on 15 August 2023 and signed on its behalf by:



Nita Savjani  
**Director**

Company registration number: 09608590

**FINTAS AVIATION LEASING UK THREE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Brought forward at 1 October 2020</b>	<b>1</b>	<b>164,006</b>	<b>164,007</b>
Profit for the year and total comprehensive income	-	32,437	32,437
<b>Balance as at 30 September 2021</b>	<b>1</b>	<b>196,444</b>	<b>196,445</b>
Brought forward at 1 October 2021	1	196,444	196,445
Profit for the year and total comprehensive income	-	39,596	39,596
<b>Balance as at 30 September 2022</b>	<b>1</b>	<b>236,040</b>	<b>236,041</b>

The notes on pages 13 to 18 are an integral part of these financial statements.

**FINTAS AVIATION LEASING UK THREE LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	<b>30 September 2022 USD</b>	<b>30 September 2021 USD</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	48,926	40,046
Taxation paid	<u>(9,330)</u>	<u>(7,609)</u>
	<b>39,596</b>	<b>32,437</b>
<b>CHANGES IN WORKING CAPITAL</b>		
Decrease in trade and other receivables	-	1
Increase in trade and other payables	14,721	1,610
	<u>14,721</u>	<u>1,611</u>
<b>NET CASH GENERATED FROM OPERATIONS</b>	<b>54,317</b>	<b>34,049</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>54,317</b>	<b>34,049</b>
Cash at the beginning of the year	217,188	183,139
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>271,505</b>	<b>217,188</b>

The notes on pages 13 to 18 are an integral part of these financial statements.

**FINTAS AVIATION LEASING UK THREE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**1 GENERAL INFORMATION**

The Company is a private company limited by shares registered in England and Wales. The address of the registered office is given on page 1. The Company is domiciled in England and is a wholly-owned subsidiary of ALAFCO Aviation Lease and Financing Company K.S.C.P. The Company leases flight equipment under operating leases to other airlines.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation**

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the United Kingdom ("IFRSs as adopted by the UK"), IFRIC Interpretations and the Companies Act 2006 as applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. As explained in the directors' report, the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

The Company's main transactions are in US dollars and therefore the functional and presentational currency used by the Company is US dollars.

The following policies have been adopted throughout the reporting period:

**IFRS 16, Leases**

IFRS 16 specifies the recognition, measurement, presentation and disclosure requirements for leases effective for accounting periods beginning on or after 1 January 2019. At the commencement date of a 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.

The directors have evaluated the impact of this standard and have determined that the contractual lease agreement which the Company is party to does not contain a lease by the definition to which it has been prescribed by the standard. On this basis, the provisions of IFRS 16 have not been applied and it has been concluded that the impact is nil.

**Lease**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date i.e. whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.

**Revenue recognition**

Revenue arises from lease rental income. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business net of discounts.

Lease rental income from operating leases is recognised in income on a straight-line basis from the date of delivery of aircraft to the end of the lease term. Rental income received but unearned, under the lease agreement, is recorded in rentals received in advance in the statement of financial position until earned.

**Head lease rent**

Head lease rent charges for operating leases are recognised as expenses on a straight-line basis from the date of delivery of aircraft to the end of the lease term. Head lease rent charge paid but not due, under the lease agreement, is recorded in prepaid rent expense in the statement of financial position until due.

**FINTAS AVIATION LEASING UK THREE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Security Deposit**

As part of the terms of each lease, the Lessee shall pay a deposit to the Company. In the absence of an event of default on the part of the Lessee as set out in the relevant lease agreement, the deposit will be refunded to the Lessee at the end of the lease term. As the security deposit is held by Fintas Aviation Leasing UK Three Limited, the liability and the corresponding assets are recognised by the Company in its statement of financial position.

**Foreign currencies**

The functional and reporting currency of the Company is the US dollar. The share capital of the Company was raised in Sterling and is translated at the historical rate in US dollar. Any amounts paid for expenses in a currency other than US dollars, are translated to US dollar on the date of invoice from the supplier and retranslated on the date of payment. Any amounts outstanding at the statement of financial position date are translated to US dollars at the closing rate at the statement of financial position date. Exchange rate differences are expensed in the statement of comprehensive income.

**Trade and other receivables**

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

**Trade and other payables**

Trade and other payables are measured at historical cost and are not interest bearing.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand 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 to changes in value.

**Tax expense**

The current tax rate is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date being 19% for the period under review (2021: 19%).

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**Maintenance**

Under all lease contracts the lessee has the obligation to pay for maintenance costs on airframes, engines and other major life-limited components which arise during the term of the lease. In certain cases the lessee may have the obligation to pay supplemental rent based on usage. The usage may be calculated based on hourly usage or on the number of cycles operated, depending on the lease contract. Upon presentation of invoices evidencing the completion of qualifying maintenance on the aircraft, the lessee is reimbursed for the costs with respect to such work up.

**3 LEASE REVENUE**

All income is derived from aircraft leasing activities, net of amortisation of lease incentives.

**4 RENT EXPENSES**

	Year ended 30 September 2022 USD	Year ended 30 September 2021 USD
Head lease rent charge	<u>6,715,800</u>	<u>6,715,800</u>



**FINTAS AVIATION LEASING UK THREE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**5 ADMINISTRATIVE EXPENSES**

	30 September 2022 USD	30 September 2021 USD
Auditor's remuneration	9,360	9,791
Tax services	1,795	2,088
Accounting fees	12,542	15,761
Bank charges	177	348
<b>Total administrative expenses</b>	<b>23,874</b>	<b>27,989</b>

**6 TAX EXPENSE**

	2022 USD	2021 USD
<b>Current tax</b>		
Current tax on profits for the financial year	9,330	7,609
<b>Tax charge for the financial year</b>	<b>9,330</b>	<b>7,609</b>
<b>Reconciliation</b>		
Profit before tax	48,926	40,046
UK corporation tax at the effective rate of 19% (2021: 19%)	9,296	7,609
	34	-
Exchange difference arising on movement between opening and closing		
<b>Tax expense for the financial year</b>	<b>9,330</b>	<b>7,609</b>

**Tax rates**

Changes to the future UK corporation tax rates were substantively enacted as part of the Finance Bill 2021 on 24 May 2021. It makes provision for the rate of corporation tax in the UK to increase from 1 April 2023 from 19% to 25% where a company has taxable profits exceeding £250,000. The company is expected to be taxed at 19%.

**7 PARTICULARS OF EMPLOYEES**

The Company had no employees for the year ended 30 September 2022 nor during the prior year reported, therefore no salaries or wages were paid or were payable to employees during the financial year or the prior year.

No remuneration was paid or is payable by the Company to the directors.

Fees payable to TMF Global Services (UK) Limited, as disclosed in note 17, include a fee for directors' services.

**8 NON-CURRENT ASSETS**

	2022 USD	2021 USD
Security deposit	1,413,565	1,413,565
	<b>1,413,565</b>	<b>1,413,565</b>

In accordance with each aircraft lease agreement (the 'Agreements') between the Company and the Lessee, the aggregate amount of deposit held by the Company is equal to two and half times the first month's basic rent of USD742,695 and USD670,870 in respect of the Aircraft MSN 6655 and the Aircraft MSN 6961.

**FINTAS AVIATION LEASING UK THREE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**9 NON-CURRENT LIABILITIES**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Security deposit	1,413,565	1,413,565
	<u><b>1,413,565</b></u>	<u><b>1,413,565</b></u>

**10 TRADE AND OTHER RECEIVABLES**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Called up share capital not paid	1	1
Prepayments	381,605	381,605
Lease payment receivables	297,078	297,078
	<u><b>678,684</b></u>	<u><b>678,684</b></u>

**11 CASH AND CASH EQUIVALENTS**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Cash at bank	<u><b>271,505</b></u>	<u><b>217,188</b></u>

**12 TRADE AND OTHER PAYABLES**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Accrued expenses	26,670	13,387
Corporation tax payable	7,907	6,471
Trade creditors	294,000	294,000
Deferred revenue	385,570	385,570
	<u><b>714,147</b></u>	<u><b>699,428</b></u>

**13 SHARE CAPITAL**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Issued share capital		
1 ordinary share of £1 per share	<u><b>1</b></u>	<u><b>1</b></u>

All ordinary shares carry full voting, dividend and capital distribution rights.

**FINTAS AVIATION LEASING UK THREE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**14 FINANCIAL INSTRUMENTS**

The directors have recognised the following risks within the business:

***Credit risk***

Credit risk arises from the possibility of the Lessee failing to meet its contractual obligations to the Company. The Company's ability to generate income is dependent on the financial position of the Lessee.

As per the terms of the aircraft lease agreement between the Company and the Lessee, the Lessee paid a security deposit equal to 2.5 times the Basic Rent. This amounted to USD742,695 and USD670,870 for MSN 6655 and MSN 6961 respectively.

The Company's cash and cash equivalents are held with Barclays Bank Plc, which was rated by Moody's Investor Service's as A2 at the end of the reporting period. This is monitored by management.

***Capital management***

The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of equity attributable to equity holders of the issued capital and retained earnings as disclosed in the statement of changes in equity.

***Management of liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulties in realising assets or otherwise raising funds to meet financial commitments.

The Company's responsibility of liquidity risk management rests with the board of directors which has formulated liquidity management tools to service this requirement. The principal policy objective in relation to liquidity is to ensure that the Company is able to access sufficient liquidity to meet its obligations as they become due.

Management of liquidity risk is achieved by monitoring actual and forecasted cash flows.

**15 OPERATING LEASE COMMITMENTS**

The Company leases out the Aircrafts under an operating leases. As of 30th May 2022, the lease term of both leases were extended from 96 to 144 months from the delivery date, with fixed rentals over the same period.

Future commitments for minimum rentals under the non cancellable operating leases as of 30 September 2022 are shown below:

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Amount payable under operating leases		
Within one year	5,539,800	6,715,800
Between two and five years	1,062,600	6,602,400
<b>Total</b>	<b><u>6,602,400</u></b>	<b><u>13,318,200</u></b>

**FINTAS AVIATION LEASING UK THREE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**16 RENTAL INCOME**

Minimum future rentals on non cancellable operating leases of the aircraft delivered as of 30 September 2022 are shown below:

	2022 USD	2021 USD
Amount receivable under operating leases		
Within one year	5,596,800	6,785,112
Between two and five years	1,073,392	6,670,192
<b>Total</b>	<b><u>6,670,192</u></b>	<b><u>13,455,304</u></b>

**17 RELATED PARTY TRANSACTIONS**

During the year, rental expenditure and maintenance expenditure in respect of the lease of the aircraft conducted with Mansuria Limited, amounted to USD6,715,800 (2021: USD6,715,800). At the year end, the prepayment of this rental expenditure amounted to USD381,605 (2021: USD381,605). Mansuria Limited is a wholly owned subsidiary of the parent company, ALAFCO Aviation Lease and Financing Company K.S.C.P. The amount payable to Mansuria Limited at the end of financial year is USD294,000 (2021: USD294,000).

The Company is a special purpose entity managed by its Board of directors, which comprise of the following directors: TMF Corporate Directors Limited, Joint Corporate Services Limited, and Nita Savjani. During the financial year, no remuneration was paid or is payable at the year-end by the Company to its directors (2021: USDnil). However, Joint Corporate Services Limited and TMF Corporate Directors Limited are subsidiaries and Nita Savjani is an employee of TMF Global Services (UK), which provides corporate services to the Company, for which fees of USD12,543 were charged for the reporting period (2021: USD15,761) and an amount of USD5,778 (2021: USD1,499) was outstanding at the end of the financial year and is included in accrued expenses.

**19 PARENT COMPANY AND HOLDING COMPANY**

The Company is 100% owned by ALAFCO Aviation Lease and Financing Company K.S.C.P. The Company's ultimate parent and controlling party is Kuwait Finance House K.S.C.P. incorporated in Kuwait which is also the smallest and largest group that prepares consolidated financial statements and of which the Company is a member.

The consolidated accounts of ALAFCO Aviation Lease and Financing Company K.S.C.P. are available to the public and may be obtained at [www.alafco-kw.com](http://www.alafco-kw.com). The largest group in which the results of the company are consolidated is that headed by Kuwait Finance House K.S.C.P. and whose accounts may be obtained from Kuwait Chamber of Commerce and Industry Building Annexe, Third Floor, Abdul Aziz Hamid Alsagar Street, Al-Mirqab, Kuwait or at [www.kfh.com/en/](http://www.kfh.com/en/).

**20 APPROVAL OF FINANCIAL STATEMENTS**

The board of directors approved these financial statements for issue on 15 August 2023.