

COMPANY REGISTRATION NUMBER: 10756660 (England & Wales)

AVIATOR UK ML 35302 LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021



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AVIATOR UK ML 35302 LIMITED
COMPANY INFORMATION

Registered number	10756660 (England and Wales)
The board of directors	Hugo Reiter Jorge Wolf Nita Savjani Joint Corporate Services Limited
Company secretary	TMF Corporate Administration Services Limited 8th Floor 20 Farringdon Street London United Kingdom EC4A 4AB
Independent auditor	Ernst & Young (appointed on 02 November 2022) Chartered Accountants and Statutory Audit Firm Harcourt Centre Harcourt Street Dublin 2 D02 YA40 Ireland
Registered office	c/o TMF Group 8th Floor 20 Farringdon Street United Kingdom EC4A 4AB

AVIATOR UK ML 35302 LIMITED

STRATEGIC REPORT

The board of directors (the "directors") present their strategic report on the affairs of Aviator UK ML 35302 Limited (the "Company") together with the financial statements for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company was incorporated in the United Kingdom on 5 May 2017, as a private company limited by shares under the Companies Act 2006 with the registration number 10756660. The principal activity of the Company is the leasing of aircraft. The Company is a wholly owned subsidiary of Aviator ML 35302 Limited, a company incorporated in the Republic of Ireland.

As at 31 December 2021, the Company's direct parent owned one aircraft which was formerly held on an operating head lease and was in turn leased by the Company to an ultimate lessee in Australia. During the prior financial year, the lessee experienced financial difficulties and was obliged to enter bankruptcy proceedings. Pursuant to the provisions of the operating lease agreement, the Company's parent successfully took repossession of the aircraft and both the operating and head lease were terminated. The directors are considering a number of future commercial arrangements for the Company. The directors believe there is sufficient liquidity amongst the Company, the Ultimate Parent Company (Aviator Ireland Limited) and related group undertakings to meet the Company's day to day expenses as they fall due.

RESULTS AND DIVIDENDS

The results for the financial year 31 December 2021 and its financial position are set out on pages 11 to 12. The loss generated on ordinary activities before taxation by the Company during the financial year is USD (21,237) (2020: Profit USD 21,354). The directors do not recommend the payment of a dividend (2020: nil). The key performance indicators for the Company are as follows:

	Year Ended 31 December 2021	Year Ended 31 December 2020	Change
	USD	USD	%
		Unaudited	
(a) Profit/(Loss) before tax	(21,237)	21,354	(199%)
(b) Total revenue	2,047,567	15,154,783	(86%)

GOING CONCERN

Having considered the Company's actual and expected future net positive cash flows as well as the current position of the retained earnings in 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 and that a material uncertainty in relation to the Company's ability to continue as a going concern does not exist. The extent and impact of the coronavirus ("COVID-19") pandemic has been an unprecedented event in recent human history, whereby all sectors of society and the global economy were significantly impacted over its course, with travel and aviation related industries amongst the most severely impacted on all the economic sectors globally. With this said, we have seen from the fast invention and massive rollout of the vaccine and booster injection programmes globally from the end of 2020 and continued into 2021/2022. Throughout 2021, there was a steady improvement in the performance of the airline industry as international borders reopened to travel and passenger tourist/business traffic increased to near pre-pandemic numbers in a number of key aviation markets. Although the recovery might be slower than expected and also somewhat temporarily delayed in later 2021 by the emergence of new variants of the COVID-19, we are expecting a further robust improvement in intra-regional short-haul travelling market, followed by strong/extended resurgence in the long-haul global travelling market over the course of 2022.

AVIATOR UK ML 35302 LIMITED
STRATEGIC REPORT (continued)

GOING CONCERN (CONTINUED)

Travelling is critical to modern societies and growing economies and the desire of leisure travelling shall be even stronger as we walk into the post-pandemic years. As the lessor, we are constantly seeking a balance to help our lessee to survive through these stressful times and to build an even stronger relationship for the future. In addition, we remain in active dialogues with our lenders to ensure that we have the adequate liquidity to operate with flexibility to move out this pandemic.

The Directors have considered the going concern basis of preparation of the financial statements. In making their assessment, the Directors have considered the ability of Aviator Ireland Limited, the ultimate parent undertaking, and its subsidiaries (the "Group") and the Company to service its obligations from available cash flows. The Group has assessed various stressed scenarios including the receipt of significantly reduced rental payments and considers that COVID-19, including Russian exposures, will not have a material adverse impact on the Group's ability to continue as a going concern. The ultimate parent undertaking has access to sufficient liquidity should the Company require funding. The Company has received a letter of support from the ultimate parent undertaking confirming that it will continue to support the Company for a period of 12 months from date of signing of these financial statements should such support be required. Given the financial support from the ultimate parent undertaking, the Directors are satisfied that the Company is adequately resourced to continue in existence for the foreseeable future and that a material uncertainty in relation to the Company's ability to continue as a going concern does not exist.

SIGNIFICANT SUBSEQUENT EVENTS

Significant subsequent events are disclosed in Note 13 of the financial statements.

FINANCIAL RISK MANAGEMENT

The most significant risks facing the Company are operational risk and liquidity risk. The Company is significantly not exposed to other financial risks such as foreign currency risk, price risk, asset risk, credit risk, interest rate risk and capital risk due to the nature of its operations. The Company does not enter into derivative transactions. The Company's policy is that no trading in financial instruments is undertaken throughout the financial year ended 31 December 2021 or in prior periods.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. Some accounting management and corporate service functions have been outsourced to TMF Corporate Administration Services Limited (the "Administrator").

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. This risk is mitigated by ensuring as far as possible that the cash inflows and cash outflows are matched. The Company monitors and maintains a level of cash and cash equivalents deemed adequate by the directors to finance the Company's operations and mitigate the effects of fluctuations in cash flows. It monitors the risk to shortage of funds by regular analysis of cash flow movements, forecasts and adherence to all loan agreements.

Section 172 Statement

The Company availed of the disclosure exemption allowed for medium-sized entities for the current period, including section 172 statement and business relationships with suppliers, customers and others.

Approved by the board of directors and signed on its behalf by:



Nita Savjani (on behalf of Joint Corporate Services Limited)

Director

Date: 11 November 2022

DIRECTORS' REPORT

The board of directors (the "directors") present their annual report on the affairs of Aviator UK ML 35302 Limited (the "Company") together with the financial statements for the financial year ended 31 December 2021.

DIRECTORS AND THEIR INTERESTS

The directors who served the Company during the reporting period held no beneficial interest in the shares of the Company as defined by applicable Company Law at any time during the reporting period. The following are details of the directors in office during the year ended 31 December 2021 and up to the date of this report:

Hugo Reiter
Jorge Wolf
Nita Savjani
Joint Corporate Services Limited

COMPANY SECRETARY

TMF Corporate Administration Services Limited

EMPLOYEES

The Company had no employees during the financial year (2020: nil). Joint Secretarial Services Limited performs the Company's secretarial functions. TMF Global Services (UK) Limited provides corporate and administration services to the Company.

POLITICAL AND CHARITABLE DONATIONS

The Company made no political or charitable donations during the year (2020: £nil).

AUDITOR

Ernst & Young, Chartered Accountants and Statutory Audit Firm, was appointed auditor following the financial year under review. Ernst & Young, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 485 of the Companies Act 2006 unless the Company received notice under Section 488(1) of the Act.

DIRECTORS' LIABILITIES

A qualifying third-party indemnity provision was in place for all the Directors during the period and up to the date of approval of the financial statements.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who held office at the date of approval of this directors' report confirm that:

- so far as each of the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that he/she ought to have taken as a director 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 s418(2) of the Companies Act 2006.

Approved by the board of directors and signed on its behalf by:



Nita Savjani (on behalf of Joint Corporate Services Limited)
Director

Date: 11 November 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 the requirements of Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice, 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.

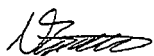
In preparing these financial statements, the directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the board of directors and signed on its behalf by:



Nita Savjani (on behalf of Joint Corporate Services Limited)

Director

Date: 11 November 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVIATOR UK ML 35302 LIMITED

Opinion

We have audited the financial statements of Aviator UK ML 35302 Limited for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 December 31, 2021 and of its loss 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.

Other matter

The financial statements for the year ended 31 December 2020 which were presented as comparative information in the financial statements for the year ended 31 December 2021 were unaudited.

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. 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 Strategic Report, Directors' Report and the Directors' Responsibilities Statement. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVIATOR UK ML 35302 LIMITED (CONT'D)

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 the other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVIATOR UK ML 35302 LIMITED (CONT'D)

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. 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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant is FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) in conformity with the requirements of Companies Act 2006.
- We understood how the Company is complying with those frameworks by the oversight of those charged with governance, the culture of honesty and ethical behaviour and whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by understanding of the Company's policies and procedures on fraud risks.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved management inquiries and obtaining legal confirmation from the legal counsel.

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.

Ernst & Young

Patrick O'Driscoll (Senior Statutory Auditor)
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm
Dublin
Date: 15 November 2022

AVIATOR UK ML 35302 LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Year ended 31 December 2021 USD	Year ended 31 December 2020 USD Unaudited
Revenue	3	2,047,567	15,154,783
Cost of sales	3	<u>(2,047,567)</u>	<u>(15,116,396)</u>
GROSS PROFIT		-	38,387
Administrative expenses	4	<u>(21,237)</u>	<u>(17,033)</u>
OPERATING PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(21,237)	21,354
Tax on profit on ordinary activities	5	<u>-</u>	<u>(3,412)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		(21,237)	17,942
Other comprehensive income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		<u>(21,237)</u>	<u>17,942</u>

All amounts relate to continuing operations.

The notes on pages 15 to 20 are an integral part of these financial statements.

AVIATOR UK ML 35302 LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

COMPANY REGISTRATION NUMBER: 10756660 (England & Wales)

	Note	31 December 2021 USD	31 December 2020 USD Unaudited
CURRENT ASSETS			
Trade and other receivables	6	2,269,532	229,906
Cash and cash equivalents	7	<u>223</u>	<u>2,666</u>
		2,269,755	232,572
Current liabilities			
Amounts falling due within one year	8	<u>2,064,552</u>	<u>6,132</u>
NET CURRENT ASSETS AND NET ASSETS		<u>205,203</u>	<u>226,440</u>
CAPITAL AND RESERVES			
Share capital	9	135	135
Retained earnings		<u>205,068</u>	<u>226,305</u>
SHAREHOLDERS' FUNDS		<u>205,203</u>	<u>226,440</u>

The notes on pages 15 to 20 are an integral part of these financial statements.

The financial statements were approved by the board of directors and were authorised for issue on 11 November 2022 and signed on its behalf by:



Nita Savjani (on behalf of Joint Corporate Services Limited)
Director

AVIATOR UK ML 35302 LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Share capital USD	Retained earnings USD	Total USD
Balance as at 1 January 2020 (Unaudited)	<u>135</u>	<u>208,363</u>	<u>208,498</u>
Total comprehensive income for the financial year (Unaudited)	-	17,942	17,942
Balance as at 31 December 2020 (Unaudited)	<u>135</u>	<u>226,305</u>	<u>226,440</u>
Total comprehensive income for the financial year	-	(21,237)	(21,237)
Balance as at 31 December 2021	<u>135</u>	<u>205,068</u>	<u>205,203</u>

The notes on pages 15 to 20 are an integral part of these financial statements.

AVIATOR UK ML 35302 LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Year ended 31 December 2021 USD	Year ended 31 December 2020 USD Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/ Profit before tax	(21,237)	21,354
<i>Adjustments for:</i>		
(Increase)/ Decrease in trade and other receivables	(2,039,626)	1,548,158
Increase/ (Decrease) in trade and other payables	2,058,420	(1,592,937)
	<u>18,794</u>	<u>(44,779)</u>
NET CASH (USED IN)/ GENERATED FROM OPERATIONS	<u>(2,443)</u>	<u>(23,425)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,443)	(23,425)
Cash and cash equivalents at the beginning of the financial year	<u>2,666</u>	<u>26,091</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>223</u></u>	<u><u>2,666</u></u>

The notes on pages 15 to 20 are an integral part of these financial statements.

AVIATOR UK ML 35302 LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1 GENERAL INFORMATION

The Company is a private company limited by shares registered in England and Wales with registered offices at C/O TMF Group 8th Floor, 20 Farringdon Street, London, EC4A 4AB, United Kingdom. The nature of the Company's operations and its principal activities are set out in the business review on page 4.

2 ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Company are prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2006 (the "Act") and applicable accounting standards in United Kingdom. The Company is in compliance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous period, and also have been consistently applied within the same accounts.

Going concern

The Directors have considered the going concern basis of preparation of the financial statements. In making their assessment, the Directors have considered the ability of Aviator Ireland Limited, the ultimate parent undertaking, and its subsidiaries (the "Group") and the Company to service its obligations from available cash flows. The Group has assessed various stressed scenarios including the receipt of significantly reduced rental payments and considers that COVID-19, including Russian exposures, will not have a material adverse impact on the Group's ability to continue as a going concern. The ultimate parent undertaking has access to sufficient liquidity should the Company require funding. The Company has received a letter of support from the ultimate parent undertaking confirming that it will continue to support the Company for a period of 12 months from date of signing of these financial statements should such support be required. Given the financial support from the ultimate parent undertaking, the Directors are satisfied that the Company is adequately resourced to continue in existence for the foreseeable future and that a material uncertainty in relation to the Company's ability to continue as a going concern does not exist.

Lease and lease income as lessor

Lease rentals receivable are credited to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Lease rentals payable are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

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

Revenue

Revenue derives from operating leases of aircraft. Lease income is amortised over the lease term on a straight-line basis. Incentives for the agreement of a new or renewed operating lease are amortised as a reduction of the rental income over the lease term amortization of the incentive's nature or form, or the timing of payments.

AVIATOR UK ML 35302 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 ACCOUNTING POLICIES (continued)

Foreign currencies

The functional and presentational 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 transactions in a currency other than US dollars, are translated to US dollar at the exchange rate ruling on the date of the transaction and retranslated on the date of settlement. Any monetary assets or liabilities 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 at the date of the transaction.

Financial instruments

The Company's financial instruments are amortised at amortised cost with changes amortised in profit or loss.

Trade and other receivables

Trade and other receivables are measured at historical cost. Appropriate allowances for estimated irrecoverable amounts are amortised 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 held in bank current accounts are subject to an insignificant risk to changes in value.

Tax expense

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date being 19% (2020: 19%).

3 REVENUE & COST OF SALES

Income in the prior financial year is derived from aircraft leasing activities and is originated wholly in Australia. All income in the current financial year relates to the sale of certain receivables to a third party. Cost of sales relates to lease payments made to Aviator ML 35302 Limited. Revenue for the financial year amounted to USD 2,047,567 (2020: USD 15,154,783) and cost of sales for the financial year amounted to USD 2,047,567 (2020: USD 15,116,396).

4 ADMINISTRATIVE EXPENSES

	Year ended 31 December 2021	Year ended 31 December 2020
	USD	USD
		Unaudited
Professional fees	21,237	17,033
Total administrative expenses	21,237	17,033

The Company had no employees during the financial year. No directors received any emoluments from or in respect of the Company during the current or prior financial year. The audit fee applicable in respect of this Company's financial statements was USD9,060 (2020: nil).

AVIATOR UK ML 35302 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5 TAXATION

	Year ended 31 December 2021	Year ended 31 December 2020
	USD	USD Unaudited
Current tax		
Current tax on profits for the financial year	-	(3,412)
Tax charge for the financial year		(3,412)

Reconciliation	Year ended 31 December 2021	Year ended 31 December 2020
	USD	USD
(Loss)/ Profit before tax	(21,237)	21,354
(Loss)/ Profit multiplied by the standard rate of UK corporation tax rate of 19% (2020: 19%)	-	4,057
Tax expense for the financial year	-	4,057

Deferred tax

Deferred tax asset in relation to gross timing difference of USD21,237 (2020: nil) has not been recognized in respect of tax losses as at 31 December 2021 due to uncertainty of profitability of the Company.

Factors that may affect future tax charges

The statutory corporation tax rate for the year ended 31 December 2021 was 19% (2020: 19%). UK Budget 2021 provides that the rate of corporation tax will increase to 25% from April 2023. This rate was enacted in June 2021 within Finance Act 2021

6 TRADE AND OTHER RECEIVABLES

	31 December 2021	31 December 2020
	USD	USD Unaudited
Prepayments	-	3,770
Unpaid share capital	135	135
Amount owed by parent	221,830	226,001
Other receivables	2,047,567	-
	2,269,532	229,906

Other receivables pertain to the amount recoverable from a third-party bank arising from the sale of claims from ultimate lessee.

AVIATOR UK ML 35302 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7 CASH AND CASH EQUIVALENTS

	31 December 2021	31 December 2020
	USD	USD
		Unaudited
Cash at bank	<u>223</u>	<u>2,666</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2021	31 December 2020
	USD	USD
		Unaudited
Accruals	13,573	2,720
Amount owed to parent	<u>2,050,979</u>	<u>3,412</u>
	<u>2,064,552</u>	<u>6,132</u>

9 SHARE CAPITAL

	31 December 2021	31 December 2020
	USD	USD
		Unaudited
Allotted, called up and unpaid share capital:		
100 ordinary shares of £1.00 per share	<u>135</u>	<u>135</u>

AVIATOR UK ML 35302 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

10 ULTIMATE CONTROLLING PARTY

The Company is a wholly-owned subsidiary of Aviator ML 35302 Limited, a company incorporated in the Republic of Ireland which is itself a wholly-owned subsidiary of Aviator Ireland Limited. Consequently, Aviator Ireland Limited is considered to be the ultimate controlling entity.

Aviator Ireland Limited is the smallest and largest group preparing consolidated accounts, which are available from the registered office at 33 Fitzwilliam Street Upper, Dublin 2, D02 TF82, Ireland.

11 RELATED PARTY TRANSACTIONS

The Company is a special purpose entity managed by its Board of Directors, which comprises of four directors: Hugo Reiter, Jorge Wolf, Nita Savjani and Joint Corporate Services Limited. The fees payable to these directors for their services for the year ended on 31 December 2021 were nil (2020: nil).

Nita Savjani is an employee of and Joint Corporate Services Limited is a subsidiary of TMF Global Services (UK) Limited, a professional services firm which provides corporate and secretarial services to the Company and received remuneration for the same.

The company availed of the exemption under FRS 102 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 wholly owned by such a member.

12 FINANCIAL RISK MANAGEMENT

The most significant risks facing the Company are operational risk and liquidity risk. The Company is significantly not exposed to other financial risks such as foreign currency risk, price risk, asset risk, credit risk, interest rate risk and capital risk management due to the nature of its operations. The Company does not enter into derivative transactions. The Company's policy is that no trading in financial instruments is undertaken throughout the financial year ended 31 December 2021 or in prior periods.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. Some accounting management and corporate service functions have been outsourced to TMF Corporate Administration Services Limited (the "Administrator").

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. This risk is mitigated by ensuring as far as possible that the cash inflows and cash outflows are matched. The Company monitors and maintains a level of cash and cash equivalents deemed adequate by the directors to finance the Company's operations and mitigate the effects of fluctuations in cash flows. It monitors the risk to shortage of funds by regular analysis of cash flow movements, forecasts and adherence to all loan agreements. The Company does not have any liabilities maturing longer than 12 months (2020: None) and therefore the liquidity table is not presented.

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13 SUBSEQUENT EVENTS AFTER THE REPORTING YEAR

On February 2022, the EU adopted Regulation 2022/328, as part of its package of sanctions and export controls imposed in response to the Russian government's actions involving Ukraine. At 31 December 2021, the Company did not lease any aircraft to lessees based in Russia or in Ukraine. However, the crisis will have short and long-term consequences on the aviation industry, including rising fuel prices and airlines rerouting flights as a result of ban on use of airspace.

No other significant event affecting the Company have occurred since 31 December 2021, which require adjustment to or disclosure in the financial statements.

14 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board and authorised for issue on 11 November 2022.