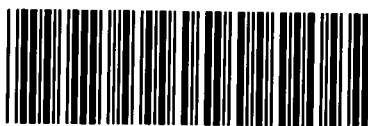


Registration number: 14032258

SMFL LCI Helicopters UK Two Limited

Directors' Report and Financial Statements
for the period 7 April to 31 December 2022

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SMFL LCI Helicopters UK Two Limited

Directors' Report and Financial Statements

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Company Information

Directors

J. Jandu

Y. Kataoka

R. Matsuo

Registered office

13-14
Hobart Place
London
United Kingdom
SW1W 0HH

**Company registration
number**

14032258

Auditors

BDO LLP
Level 12
Thames Tower
Station Road
Reading
United Kingdom
RG1 1LX

Directors' Report

The directors present their report and the financial statements of the Company for the period from 7 April 2022 to 31 December 2022.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Please refer to the Company Information on page 1 for the names of the directors.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

Principal activity

The Company is part of the Group that is engaged in the leasing of helicopters.

Results and dividends

The Company's loss for the period amounted to US\$8,000. The directors do not recommend the payment of a dividend.

Going concern

The Directors have considered the appropriateness of applying the going concern basis for the Company in conjunction with an assessment of the wider Group's forecasts and liquidity position.

The Group's forecasts and projections indicate that it will be able to meet liabilities as they fall due. The Group has a strong level of cash reserves and holds security deposits from lessees to protect against default. Fixed rate loans are paired with fixed rate leases to ensure matched financing with lease payments sufficient to cover associated debt service costs.

The Directors have assessed the current political and economic situation in Ukraine, as well as ongoing international sanctions against certain Russian organisations and citizens and will continue to do so on an ongoing basis. Given the Group has no direct exposure with Russia or the Ukraine, the Directors are confident that any potential exposure will be limited and that the Group has sufficient resources to continue in operational existence for the foreseeable future and therefore continue to prepare the financial statements on a going concern basis.

The Directors have assessed the uncertain global economic outlook, the global economy is coming out of a prolonged period of historically low interest rates and is contending with rising global interest rates alongside increasing financial pressures. The Directors consider the exposure to both interest rate risk and currency risk is minimised through the use of derivatives, fixed rate loans and lease contracts alongside the hedge accounting policies implemented by the Group. The Directors are confident any potential exposure will be limited, and the Group has sufficient resources to continue in operational existence for the foreseeable future and therefore continue to prepare the financial statements on a going concern basis.

In addition, the Group perform regular risk reviews of all key stakeholders. The key risks and considerations that may impact the Group include flying restrictions, contract cancellations/restructurings, short term liquidity strains on lessees.

Directors' Report (continued)

Directors of the Company

The directors, who held office during the period, were as follows:

J. Jandu (appointed 7 April 2022)

Y. Kataoka (appointed 7 April 2022)

K. Kawamura (appointed 7 April 2022 and ceased 28 April 2023)

The following director was appointed after the period end:

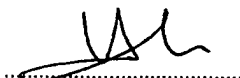
R. Matsuo (appointed 28 April 2023)

Disclosure of information to the auditor

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

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

Approved by the Board on 30 August 2023 and signed on its behalf by:



J. Jandu
Director

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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; 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 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.

Independent Auditor's Report to the Members of SMFL LCI Helicopters UK Two Limited

In our opinion the financial statements:

- 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 period 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.

We have audited the financial statements of SMFL LCI Helicopters UK Two Limited (the 'Company') for the period from 7 April 2022 to 31 December 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, 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 United Kingdom Accounting Standards, including FRS 101 '*Reduced Disclosure Framework*' (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

Independent Auditor's Report to the Members of SMFL LCI Helicopters UK Two Limited

Other information

The Directors are responsible for the 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. 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.

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.

Other Companies Act 2006 reporting

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

- the information given in the Directors' Report for the financial period 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.

In the light of our 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

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.

Independent Auditor's Report to the Members of SMFL LCI Helicopters UK Two Limited

Auditor 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.

Extent to which the audit was 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 assessed the susceptibility of the financial statements to material misstatement, including fraud and evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to achieve desired financial results and management bias in accounting estimates. The audit procedures that we performed to address this included the following:
 - Identification and testing of unusual journal entries focussing on journals with parameters with higher risk of fraud including material journals, round sum journals and journals which included key words; and
 - Challenging assumptions and judgements made by management in their significant accounting estimates where applicable.
- We obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. We considered the significant laws and regulations to be:
 - Applicable financial reporting framework; and
 - Relevant tax legislation.
- We made enquiries of management and those charged with governance, including obtaining and reviewing supporting documentation concerning the Company's policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; and
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- We addressed these by:
 - Agreeing the financial statement disclosures to supporting documentation;
 - Making enquiries with management, those charged with governance and in-house legal counsel;
 - Reviewing legal expenditure accounts for expenditure items that would indicate non-compliance; and
 - Making enquiries with management, those charged with governance and the in-house tax manager on compliance of tax legislation. In addition, we have reviewed the tax computations prepared by management to ensure compliance and considered if there are any uncertain tax treatments.

Independent Auditor's Report to the Members of SMFL LCI Helicopters UK Two Limited

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities is available 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.

DocuSigned by:

Daniel Henwood

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Daniel Henwood (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Reading,
United Kingdom

31 August 2023
Date:.....

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Statement of Comprehensive Income
for the period ended 31 December 2022**

	Note	7 April to 31 December 2022 US\$ 000
Operating expenses		
Administrative expenses		(7)
		(7)
Operating loss	4	(7)
Foreign exchange loss		(1)
Loss before tax		(8)
Total comprehensive loss for the year		(8)

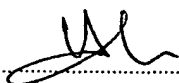
The Company has no items of other comprehensive income.

SMFL LCI Helicopters UK Two Limited
Directors' Report and Financial Statements

Balance Sheet
as at 31 December 2022

	Note	2022 US\$ 000
ASSETS		
Current assets		
Trade and other receivables	6	1
Total assets		1
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	7	8
Equity		
Share capital	8	1
Accumulated deficit		(8)
Total equity		(7)
Total equity and liabilities		1

Approved by the Board on 30 August 2023 and signed on its behalf by:


.....
J. Jandu
Director

The notes on pages 12 to 17 form an integral part of these financial statements.

Statement of Changes in Equity
for the period from 7 April 2022 to 31 December 2022

	Share capital US\$ 000	Retained deficit US\$ 000	Total US\$ 000
At 7 April 2022	-	-	-
New Share capital subscribed	1	-	1
Total comprehensive loss for the year	-	(8)	(8)
At 31 December 2022	1	(8)	(7)

Notes to the Financial Statements
for the period from 7 April 2022 to 31 December 2022

1 General information

SMFL LCI Helicopters UK Two Limited (the "Company") is a private company limited by share capital, incorporated and domiciled in England and Wales.

The address of its registered office is: 13-14, Hobart Place, London, SW1W 0HH, United Kingdom.

1.1 Preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and with the Companies Act 2006.

The financial statements have been prepared on a historical cost basis. The presentation currency used is the US Dollars ("\$\$") and amounts have been presented in thousands ("\$ 000s") except otherwise stated.

1.2 Going concern

The Directors have considered the appropriateness of applying the going concern basis for the Company in conjunction with an assessment of the wider Group's forecasts and liquidity position.

The Group's forecasts and projections indicate that it will be able to meet liabilities as they fall due. The Group has a strong level of cash reserves and holds security deposits from lessees to protect against default. Fixed rate loans are paired with fixed rate leases to ensure matched financing with lease payments sufficient to cover associated debt service costs.

The Directors have assessed the current political and economic situation in Ukraine, as well as ongoing international sanctions against certain Russian organisations and citizens and will continue to do so on an ongoing basis. The Group have had no direct exposure as a result of these events. The Directors are confident that any potential exposure will be limited and that the Group has sufficient resources to continue in operational existence for the foreseeable future and therefore continue to prepare the financial statements on a going concern basis.

The Directors have assessed the uncertain global economic outlook, the global economy is coming out of a prolonged period of historically low interest rates and is contending with rising global interest rates alongside increasing financial pressures. The Directors consider the exposure to both interest rate risk and currency risk is minimised through the use of derivatives, fixed rate loans and lease contracts alongside the hedge accounting policies implemented by the Group. The Directors are confident any potential exposure will be limited, and the Group has sufficient resources to continue in operational existence for the foreseeable future and therefore continue to prepare the financial statements on a going concern basis.

In addition, the Group perform regular risk reviews of all key stakeholders. The key risks and considerations that may impact the Group include flying restrictions, contract cancellations/restructurings, short term liquidity strains on lessees.

The immediate parent company has agreed not to seek repayment of the amounts owed to them until resources of the Company allow.

Notes to the Financial Statements
for the period from 7 April 2022 to 31 December 2022

2 Recent accounting pronouncements

2.1 New interpretations and revised standards effective for the year ended 31 December 2022

The Company has adopted the new interpretations and revised standards effective for the year ended 31 December 2022. New standards that have been adopted in the annual financial statements for the year ended 31 December 2022, but have not had a significant effect on the Company are:

- Annual Improvements to IFRS Standards: 2018-2020 Cycle
- Conceptual Framework for Financial Reporting (Amendments to IFRS 3)
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment - Onerous Contracts - Cost of Fulfilling a Contract)
- IAS 16 Property, Plant and Equipment (Amendment to Proceeds before Intended Use)

3 Summary of significant accounting policies

3.1 Disclosure exemptions adopted

In preparing these financial statements under FRS 101, the Company applies the recognition, measurement and disclosure requirement of International Financial Reporting Standards, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of disclosure exemptions conferred by FRS 101 has been taken.

The Company's parent undertaking, SMFL LCI Helicopters Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of SMFL LCI Helicopters Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from its registered office at Ground Floor, 6 George's Dock, IFSC, Dublin 1, Republic of Ireland.

In preparing these financial statements the Company has taken advantage of certain disclosure exemptions conferred by FRS 101 and has not provided:

- Additional comparative information as per IAS 1 Presentation of Financial Statements paragraph 38 in respect of:
 - a reconciliation of the number of shares outstanding at the start and end of the prior period; and
 - reconciliations of the carrying amounts of property, plant and equipment at the start and the end of the prior period.
- Statement of Cash Flows
- Additional comparative information for narrative disclosures and information, beyond IFRS requirements
- Disclosures in relation to the objectives, policies and process for managing capital
- Disclosure of the effect of future accounting standards not yet adopted
- Disclosure of the remuneration of key management personnel
- Related party transactions with two or more wholly owned members of the group
- The amount of lease income recognised on operating leases as lessor

Notes to the Financial Statements
for the period from 7 April 2022 to 31 December 2022

3 Summary of significant accounting policies (continued)

3.1 Disclosure exemptions adopted (continued)

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied because equivalent disclosures are included in the consolidated financial statements of Company's parent company. These financial statements do not include certain disclosures in respect of:

- Financial Instrument disclosures as required by IFRS 7 Financial Instruments: Disclosures
- Fair value measurements - details of the valuation techniques and inputs used for fair value measurement of assets and liabilities as per paragraphs 91 to 99 of IFRS 13 Fair Value Measurement.

3.2 Foreign currencies

The functional and presentation currency of the Company is the United States Dollar ("US\$"). Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Revenue, costs and non-monetary assets and liabilities are translated at the exchange rates ruling at the dates of transactions. Foreign exchange gains and losses are included in profit or loss.

3.3 Income tax

Current tax is provided for at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full using the liability method on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates that are expected to apply when they crystallise based on current tax rates. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not provided when the amounts involved are not significant.

3.4 Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowances for credit losses expected over the lifetime of the asset. The Company reviews the ageing of receivables regularly.

3.5 Trade and other payables

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

Notes to the Financial Statements
for the period from 7 April 2022 to 31 December 2022

3 Summary of significant accounting policies (continued)

3.6 Financial instruments

Financial assets and liabilities are initially recognised on the Balance Sheet at fair value when the Company has become party to the contractual provisions of the instruments.

All financial assets other than marketable securities and derivative financial instruments are categorised as financial assets held at amortised cost. Such assets are subsequently carried at amortised cost using the effective interest method, if the time value of money may have a significant impact on their value, less allowances for any expected lifetime credit losses.

The Company assesses at the balance sheet date whether there is objective evidence that there has been an increase in the credit risk of its financial assets. The Company uses criteria such as significant financial difficulty of the counterparty, the disappearance of an active market for that financial asset because of financial difficulties and breaches of contract as objective evidence.

Financial liabilities other than derivative financial instruments are subsequently measured at amortised cost using the effective interest method.

3.7 Significant accounting estimates

There were no key assumptions concerning the future and other sources of estimation uncertainty at the end of the reporting period, that may cause amounts recognised or disclosed to change in the accounting period.

3.8 Significant accounting judgements

In the process of applying the Company's accounting policies, there were no significant accounting judgements made by the directors.

Notes to the Financial Statements
for the period from 7 April 2022 to 31 December 2022

4 Operating profit

Operating profit is stated after charging:

**7 April to
31 December
2022
US\$ 000**

Auditor's remuneration

Audit of financial statements	7
	7

5 Taxation

Tax charges in the statement of comprehensive income consists of:

**7 April to
31 December
2022
US\$ 000**

Loss before tax	(8)
Corporation tax at standard rate	(2)
Deferred tax asset not recognised	2
Total tax charge/(credit)	-

6 Trade and other receivables

**2022
US\$ 000**

Receivables from related parties	1
	1

7 Trade and other payables

**2022
US\$ 000**

Accruals	8
	8

Notes to the Financial Statements
for the period from 7 April 2022 to 31 December 2022

8 Share capital

	2022
	US\$ 000
Authorised and issued	
1,000 ordinary shares of US\$1.00 per share	1
	1

9 Parent and ultimate parent undertaking

The company's immediate parent is SMFL LCI Finance Two Ltd, a company incorporated in Ireland.

As at 31 December 2022, the ultimate controlling undertakings are jointly Sumitomo Mitsui Financial Group Inc., a company incorporated in Japan, which is listed on Tokyo, Nagoya and New York Stock Exchange, and Sumitomo Corporation, a company incorporated in Japan, which is listed on the Tokyo Stock Exchange.