Registration number 07317239

Aircraft 32A-3424 Limited

Directors' Report and Financial Statements

For the financial year ended 31 December 2017

Aircraft 32A-3424 Limited

Strategic Report, Directors' Report and Financial Statements

Company information

Company Registration Number	07317239
Directors	Joint Corporate Services Limited Tamzin Lawrence Gordon Chase Nita Savjani
Company Secretary and Registered Office	Joint Secretarial Services Limited 5th Floor 6 St Andrew Street London EC4A 3AE United Kingdom
Independent Auditors	PricewaterhouseCoopers Chartered Accountants and Statutory Auditors One Spencer Dock North Wall Quay Dublin 1 Ireland
Bank	Bank of America 2 King Edward Street London EC1A 1HQ United Kingdom
Company Definitions:	
"the Company"	Aircraft 32A-3424 Limited
"the Group"	AerCap Holdings N.V. and its subsidiary undertakings

Strategic Report
For the year ended 31 December 2017

Principal activities and business review

The Company is a special purpose company engaged in aircraft leasing and associated activities. The aircraft currently appearing on the Company's statement of financial position was purchased in July 2010 and is on lease with an airline in Asia.

The Directors have prepared the financial statements under FRS 101.

The Company is constantly under review by the Directors, as future results depend on industry conditions and the ability of the Company to achieve satisfactory lease rates in the current environment and minimize downtime.

The Company intends to continue its activities during the coming year.

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 page 8. The profit for the year, after taxation is $479 thousand (2016: $504 thousand). No dividends were paid by the company during the year (2016: nil) or after the year end.

Financial risk management

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

Asset risk
The Company bears the risk of re-leasing or selling the aircraft currently leased out under operating lease at the end of its lease term. If the demand for such aircraft falls, this would have an unfavourable impact on lease rentals. Further, if the decline in rental value of the aircraft continues for an extended period of time, it could adversely affect the resale/market value of aircraft owned by the Company and may also affect the Company's ability to secure further leases at profitable terms. This may result in an impairment charge to the statement of comprehensive income.

Credit risk
In the event of a default by a lessee, the Company will suffer a lease rent income shortfall and may incur additional costs, including legal expenses and insurance costs, and would have to re-market the aircraft. The Company currently transacts its business with one customer located in Asia. The Company mitigates its credit risk by obtaining security deposits from its customer.

Liquidity risk
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.

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 earnings.

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 31 December 2017.

Strategic Report *(continued)*
For the year ended 31 December 2017

Financial risk management *(continued)*

Interest rate risk
As is typical for companies which operate in this sector, the Company is exposed to interest rate risk on funding to initially purchase the aircraft. The directors monitor this risk to ensure that management only enters into financing agreements that it deems to be economically advantageous.

Technical, maintenance and environmental risks
The lessee undertakes the responsibility for ensuring that the aircraft complies with current environmental, technical and maintenance regulations and statutory obligations where necessary. The directors monitor these risks in conjunction with AerCap Ireland under a servicing agreement.

Public liability risk
The lessee is responsible for ensuring that the aircraft has adequate insurance cover.

Approved by the board of directors on 26 July 2018 and signed on its behalf.

T. Lawrence
Director

Directors' Report

For the year ended 31 December 2017

The directors present their annual report on the affairs of the Company together with the audited financial statements and auditor's report, for the year ended 31 December 2017.

Directors and secretary

The Directors and Secretary who held office during the year are listed on Company information. Unless indicated otherwise, they served for the entire year.

In accordance with the Articles of Association, the Directors are not required to retire by rotation.

The Directors and Secretary of the Company who held office at December 31, 2017 and at December 31, 2016 had no interests in the shares in the Company or group companies during the year.

No Director has or has had any interest in any transaction with the Company or other Group companies which is or was unusual in its nature or conditions or significant to the business of the Company or the Group within the year.

Directors' qualifying third party indemnity provisions

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to conditions set out in S.234 of the Companies Act 2006, and as outlined in the Company's Articles of Association. Such qualifying third party indemnity provision remains in force at the date of approving the directors' report.

Post balance sheet events

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

Political and charitable donations

The Company made no political or charitable donations or incurred any political expenditure during the year.

Statement on disclosure of information to Auditors

Each of the directors in office as at the date of this report confirms that:

- as far as they are aware there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Directors' Report *(continued)*
For the year ended 31 December 2017

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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions 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.

Approved by the board of directors on 26 July 2018 and signed on its behalf.

TLawrence

T. Lawrence
Director

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Independent auditors' report to the members of Aircraft 32A-3424 Limited

Report on the audit of the financial statements

Opinion

In our opinion, Aircraft 32A-3424 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the statement of comprehensive income, statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Ronan Doyle (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin
26 July 2018

Statement of Comprehensive Income
For year ended 31 December 2017

	Note	2017 $000	2016 $000
Turnover	3	**1,916**	1,940
Depreciation and impairment	8	**(848)**	(848)
Gross profit		**1,068**	1,092
Other operating charges		**(156)**	(173)
Operating profit	4	**912**	919
Interest payable and similar charges	7	**(194)**	(191)
Profit on ordinary activities before taxation		**718**	728
Taxation on profit on ordinary activities	5	**(239)**	(224)
Profit for the financial year		**479**	504
Total comprehensive income for the year		**479**	504

The results above arose wholly from continuing operations.

The accompanying notes on pages 11 to 18 are an integral part of the financial statements.

Statement of Financial Position
As at 31 December 2017

	Note	2017 $000	2016 $000
Fixed assets			
Aircraft	8	18,279	19,127
		18,279	19,127
Current assets			
Debtors: Amounts falling due within one year	9	-	2,708
Cash and cash equivalents		106	254
		106	2,962
Creditors: Amounts falling due within one year	10	(1,796)	(919)
Net current (liabilities) / assets		(1,690)	2,043
Creditors: Amounts falling due after more than one year	11	(11,119)	(16,418)
Deferred tax	12	(735)	(496)
Net assets		4,735	4,256
Equity			
Capital and reserves			
Share capital	14	-	-
Retained earnings		4,735	4,256
Shareholders' funds		4,735	4,256

The accompanying notes on pages 11 to 18 are an integral part of the financial statements.

The financial statements were approved by the board of directors on 26 July 2018 and signed on its behalf.

TLawrence

T. Lawrence
Director

Company number: 07317239

Statement of Changes in Equity
For the year ended 31 December 2017

	Share Capital $000	Retained Earnings $000	Total Equity $000
Opening balance at 1 January 2016	-	3,752	3,752
Profit for the year and total comprehensive income	-	504	504
Balance at 31 December 2016	-	**4,256**	**4,256**
Balance brought forward	-	4,256	4,256
Profit for the year and total comprehensive income	-	479	479
Balance at 31 December 2017	-	**4,735**	**4,735**

The accompanying notes on pages 11 to 18 are an integral part of the financial statements.

Notes to the financial statements for year ended 31 December 2017

1 Accounting Policies

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS101") and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, and are stated in US dollars, which is the principal operating currency of the Company and of the aviation industry.

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in FRS 101 which addresses the financial reporting requirements and disclosure exemptions in the financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The Company is a qualifying entity for the purposes of FRS 101. Note 15 gives details of the Company's parent and from where its consolidated financial statements may be obtained.

Due to the nature of the Company's business and the type of transactions the Company is engaged in, the directors have adopted the statement of total comprehensive income and the statement of financial position to suit the circumstances of the business in accordance with Section 396(4) of the Companies Act 2006.

The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions availed of by the Company in these financial statements, the most significant of which are summarised below:

- IAS 7, 'Statement of cash flows';
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a Group;
- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined);
- IFRS 7 'Financial Instruments: Disclosures'; and
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).

The following accounting policies have been applied:

1.2 Turnover

Revenue from aircraft on operating leases is recognised as income as it accrues over the period of the lease on a straight line basis and when the earnings process is complete. Unearned revenue from finance and sale type leases is amortised to lease income in a manner which produces a constant rate of return on the net investment in the lease.

Revenue from aircraft trading transactions are recognised as income when the contract for sale or supply of the relevant aircraft is completed and the risk of ownership of the equipment is transferred. Revenue from lease management fees is recognised as income as it accrues over the life of the contract. Interest on lease notes receivable is recognised as income as it accrues.

1 Accounting policies *(continued)*

1.3 Current and deferred tax

The tax expense for the period comprises current and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date, being 19.25% for the year ended 2017 (20.00% for the year ended 2016).

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 statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recorded where it is more likely than not to be recoverable. The recoverability of deferred tax assets is assessed annually by the Directors.

1.4 Foreign currencies

Functional and presentation currency
The Company's functional currency is USD.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

1.5 Cash and cash equivalents

The Company considers cash and cash equivalents to be cash on hand and highly liquid investments with maturities of 90 days or less. At 31 December 2017, cash and cash equivalents consists of cash at banks.

1.6 Aircraft and depreciation

Aircraft acquired by the Company are recorded at cost, less impairment and accumulated depreciation.

Cost comprises the invoiced cost net of manufacturers' discounts, but inclusive of applicable capitalised interest. Depreciation is calculated on a straight-line basis. The estimate of useful life and residual value is reviewed periodically. The current estimate of residual value and economic life is approximately 15% of manufactured cost and 25 years from date of manufacture, respectively.

Recoverable amount is the higher of the net realisable value and value in use. Net realisable value is the amount at which an asset could be disposed of less any direct selling costs, and value in use is the present value of future cashflows obtainable as a result of an asset's continued use, including those resulting from its ultimate disposal.

Additional charges may be recorded to reduce the carrying value of specific assets to the recoverable amount when impairment is considered to have occurred. Where the recoverable amount is greater than the carrying value, no adjustment is made.

Notes to the financial statements for the year ended 31 December 2017 *(continued)*

1 Accounting policies *(continued)*

1.7 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.
Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.8 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.

1.9 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 to, but not exceeding the aggregate supplemental rent payments made to the Company.

1.10 Finance costs

Interest income and interest expense are recognised using the effective interest method. Accrued interest is included in the related party receivable and payable balances on the balance sheet.

1.11 Security deposits

The lease requires the lessee to pay a security deposit, either in cash or in the form of a letter of credit. This deposit is refundable to the lessee upon the expiration of the lease and the lessee satisfactorily meeting aircraft return conditions. Where such deposits are received in cash, they are recorded in the statement of financial position as a liability.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.
The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or on the year of the revision and future years if the revision affects both current and future years. Further details are set out below;

Collectability of trade receivables
Evaluating collectability of trade receivables requires some level of subjectivity and judgement. When collectability of rental payments is not deemed probable, revenue is recognised when payments are received. Collectability is evaluated based on factors such as the lessee's credit rating, payment performance, financial condition and requests for modifications of lease terms and conditions as well as security received from the lessee in the form of guarantees and/or letters of credit.

Useful economic lives of property, plant and equipment
The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Notes to the financial statements for the year ended 31 December 2017 *(continued)*

3 Turnover

An analysis of turnover by class of business is as follows.

	2017 $000	2016 $000
Aircraft leasing – operating lease rental receivable	1,916	1,940
	1,916	1,940

All income is derived from aircraft leasing activities in Asia.

The Company leases aircraft to airlines under operating leases. Under an operating lease, the lessee is responsible for the maintenance and servicing of the equipment during the lease term and the lessor receives the benefit, and assumes the risk of the residual value of the equipment at the end of the lease. The lessee must operate the aircraft in compliance with all applicable laws and regulations. Upon expiration of the operating lease, the Company may extend the lease term or take redelivery of the aircraft, to remarket and re-lease it to a new lessee or sell the aircraft. Generally the lessor must approve any sublease of the aircraft.

The lease agreement provides for the payment of a fixed, periodic amount of rent. The lease may contain extension options which provide the lessee the option to extend the lease on the provision of notice to the lessor. In addition, the lease may require the payment of supplemental maintenance rent based on aircraft utilisation during the lease term, or end-of-lease compensation calculated with reference to the technical condition of the aircraft at lease expiration. Both supplemental rent and end-of-lease arrangements generally include escalation clauses with the rate payable increasing over time. See accounting policies for additional information regarding policy in relation to supplemental rentals.

4 Operating profit

The operating profit is stated after charging

	2017 $000	2016 $000
Depreciation of aircraft	848	848

Auditors' remuneration was borne by AerCap Ireland Limited on behalf of the Company in the financial year ended December 31, 2017 or prior years as applicable and is not recharged specifically to the entity. Auditors' remuneration relates to statutory audit only.

Directors' emoluments are borne by another Group entity.

5 Taxation

The standard rate of tax in the UK is 19.25% (2016: 20.00%). A reconciliation is set out below:

	2017 $000	2016 $000
Analysis of tax charge in the period		
Current tax		
Current tax charge	-	146
Deferred tax		
Deferred tax charge	239	224
Total tax charge	239	370
Reconciliation of total tax charge		
Profit before income tax	718	728
Standard tax rate at 19.25% (2016: 20.00%)	138	146
Effects of::		
Effect of decreased tax rate	(27)	(73)
Expenses not deductible for tax purposes	(3)	(4)
Group relief surrendered	95	156
Prior period adjustment	36	(1)
Disallowed interest	-	-
Foreign exchange movement	-	-
Total tax charge	239	224

6 Staff costs

The Company has no employees (2016: nil).

Management and support services are provided to the Company by AerCap Ireland Ltd and TMF. No remuneration was paid or is payable by the Company to the directors (2016: nil). Other than Nita Savjani and Joint Corporate Services Limited, the directors are employed by other companies in the AerCap group and consider their services to this company as incidental to their other activities within the group.

7 Interest payable and similar charges

	2017 $000	2016 $000
Loans from Group undertakings	194	191
Total interest payable	194	191

Interest payable on loans from Group undertakings is wholly repayable within five years.

Notes to the financial statements for the year ended 31 December 2017 *(continued)*

8 Aircraft

	2017 $000	2016 $000
Cost		
Opening balance at 1 January	**26,725**	26,725
Additions	-	-
At 31 December	**26,725**	26,725
Depreciation		
Opening balance at 1 January	**(7,598)**	(6,750)
Charge for the financial year	**(848)**	(848)
At 31 December	**(8,446)**	(7,598)
Net book value at 31 December	**18,279**	19,127

In accordance with the stated accounting policy, an impairment review was performed at year end. As a result of this review, no impairment provision was recognised in the year (2015: nil). This impairment provision was calculated by comparing the carrying value of the aircraft to the higher of net realisable value and value in use, based on anticipated cash flows, discounted at 5.6% (2016:5.7%). Discount rates are kept constantly under review for appropriateness based on current market conditions.

The aircraft may from time to time be pledged as collateral for external funding across the Group.

Aircraft may be analysed as follows:
On operating leases for a further period of:

	2017 $000	2016 $000
Less than one year	-	-
From one to two years	-	-
From two to five years	**18,279**	19,127
After 5 years	-	-
	18,279	19,127

9 Debtors: Amounts falling due within one year

	2017 $000	2016 $000
Amounts due from group companies	-	2,692
Current income tax assets	-	16
	-	2,708

10 Creditors: Amounts falling due within one year

	2017 $000	2016 $000
Accruals	-	146
Amounts due to group companies	1,243	-
Deferred income	553	773
	1,796	919

All amounts due to Group companies are due to the ultimate parent undertaking and fellow subsidiary undertakings and are repayable on demand. Interest is charged at a composite rate of 5%.

11 Creditors: Amounts falling due after more than one year

	2017 $000	2016 $000
Security deposit	870	870
Maintenance reserves payable	10,249	15,548
	11,119	16,418

12 Deferred tax

	2017 $000	2016 $000
Opening balance	496	272
Charged/(credited) to income statement	239	224
Closing balance	735	496

The deferred tax at the year end comprises the following:

	2017 $000	2016 $000
Tax losses carried forward	(664)	(828)
Accelerated capital allowances	1,399	1,324
Adjustment for change in tax rate	-	-
	735	496

13 Commitments

Future minimum contracted rental under operating leases at 31 December 2017, were as follows:

	2017 $000	2016 $000
Less than one year	1,696	1,696
From one to two years	1,696	1,696
From two to five years	283	1,979
More than five years	-	-
	3,675	5,371

Refer to note 3 for further information on lease arrangements.

14 Share capital

	2017 $000	2016 $000
Authorised		
1 ordinary shares of £ 1.00 each	-	-
Issued		
1 ordinary shares of £ 1.00 each	-	-

The share was issued at the date of incorporation at par. The foreign exchange rate at date of issue was £1-$1.98.

15 Parent company and holding company

The Company is a 100% indirect subsidiary of AerCap Holdings N.V., a company incorporated in the Netherlands, into which the results of the Company are consolidated. The consolidated accounts of AerCap Holdings N.V. are publicly available from the Trade Register in the city of Amsterdam under the number 34251954.

16 Post balance sheet events

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

17 Approval of the financial statements

The board of directors approved these financial statements for issue on 26 July 2018.