

**Atlantic Holdco Limited**

**Annual report and consolidated  
financial statements**

**Registered number 12155837**

**31 December 2022**



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## **Company Information**

### **Directors**

S Goodson  
R J James  
L W Mollan  
V Hahn-Petersen  
A Hoad  
M J Humphreys  
P Ryttergaard  
F Scott

### **Registered number**

12155837

### **Registered office**

Unit D Greenway  
Bedwas  
Caerphilly  
Wales  
CF83 8DW

### **Independent auditor**

KPMG LLP  
Britannia Quay  
Cardiff  
CF10 4AX

## Group Strategic Report

### Business review

2022 was a year of significant change both within the airline industry and within AerFin. The green shoots of recovery could be seen within the industry, as economies opened up after the Omicron lockdowns in the early part of 2022 and AerFin went through a major change in organisational design, to ensure we are set up to meet the challenges over the second half of the decade. We have pleasure in sharing AerFin's financial results that demonstrate the strength of the business that is seeing the demand for products and services recover, and in some cases exceed, pre-pandemic levels.

The business faced significant challenges during the year, including slow turnaround times at vendor repair shops and uncertain airline business plans in the first half of the year impacting repair of parts and our origination and trading activity respectively.

Eurocontrol, the body responsible for European air traffic management, charted average European air traffic levels at ~78% of pre-pandemic (2019) levels for the first 6 months 2022. The USA saw a slightly quicker recovery over the same period with the Transportation Security Administration ("TSA") recording average passenger checkpoint activity for the first 6 months of 2022 at 87% of 2019 levels. Both regions saw good recovery in air traffic and passenger numbers in the last 6 months of 2022 with European air traffic at ~88% of 2019 levels and US TSA checkpoint activity at ~92% of 2019 levels. These left the annualised recovery rates at ~83% and ~90% respectively.

AerFin's 2022 financial performance was pleasing given our continued recovery ahead of the overall market conditions. Revenue hit \$115.5m, up \$31.1m (37%) from 2021 (2021: \$84.4m) and standing at 92% of 2019 levels (\$125.6m). The recovery in revenues was largely driven by growth in sales in North America and Europe, where customer appetite for used serviceable aircraft parts increased, as number of flights increased, and airlines looked to rebuild balance sheets by buying cost-effective used vs. new parts.

Gross margins increased through the period, from 24% in 2021 to 25% in 2022, largely as a result of proportionally selling more owned material and less lower-margin consignment parts. During the pandemic, accessing inventory via consignments was favoured as it allowed the business to maintain continuity of supply whilst preserving liquidity and managing ownership exposure to potentially volatile asset values. However, as the industry recovers, the emphasis has reverted to owned material.

Pleasingly, the overall number of aircraft being retired remains low, that could otherwise provide competing inventory to AerFin. In addition, bidding levels on assets for sale is returning to pre-pandemic values, giving us a high confidence factor that gross margins will continue to recover, as overall levels of demand increase.

The organisation maintained good control over operating costs with EBITDA (Operating profit adding back depreciation, amortisation and exceptional administrative expenses) coming in at \$12.9m up 57% from 2021 (\$8.2m for the 12-month period ended 31 December 2021).

The financial health of the business remains on firm footing heading into 2023, with an inventory portfolio of \$92.1m, predominantly made up of parts received from young-vintage narrow body and regional jet aircraft and engines: these are the platforms that will continue to lead the air traffic recovery. The business has no material reliance on revenues or residual value realisation from wide-body aircraft or engines. AerFin has continued to invest in inventory to ensure the business is ready, as recovery and demand ramps up through 2023.

Proactive debtor management over 2022 saw the bad debt provision (excluding Russian and Ukrainian customers) reduce as doubtful debts were received. Debtor days were managed to 56 days, an increase from 49 days in 2021 but this reflects the increase in the level of economic activity.

During the year we also renegotiated the revolving credit facility to allow an additional \$20.0m of borrowing, over and above the original amount of \$80.0m, meaning the overall facility size now stands at \$100.0m.

AerFin invested significantly during the year in inventory, to ensure we are well prepared heading into 2023. Inventory increased by \$12.5m in 2022, utilising both operational cash and increased borrowings to fund the purchases. Third party borrowings increased by \$11.1m in order to facilitate the increase in inventory. Over 20% of the facility remains available to draw down at 31<sup>st</sup> December 2022. The encouraging results leave AerFin well poised heading into 2023 with a strong portfolio and good liquidity to take advantage of market conditions that will bring fresh opportunities.

On behalf the board and the co-investors I would like to thank the team at AerFin for their efforts through 2022 in achieving these pleasing results.

## Group Strategic Report *(continued)*

### Principal risks and uncertainties

The group uses financial instruments comprising borrowings, some cash and liquid resources and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to assist in financing the group's operations.

The directors consider the group well placed in mitigating asset risk, due to the liquid nature of the group's existing inventory/trading assets. The directors have an established and successful track record of operating in this sector and managing the below risks as far as possible through detailed market analysis, technical due diligence, and careful investment.

The following factors have the ability to impact the future trading success of the business:

- **Oil prices:** the group focuses on civil aircraft which are aged typically from 7 to 20 years. Newer-generation aircraft have been designed to maximise fuel efficiencies through the introduction of fuel-efficient technologies. With fuel costs typically accounting for around 40% of an airline's operating cost, rising fuel costs can render older aircraft less profitable, whereas falling fuel costs can increase the profitability of these older aircraft, due to their lower operating cost.
- **Global demand for air travel:** demand for global air travel drives aircraft utilisation which increases the requirement for leased engines, leased aircraft and components used in the refurbishment of aircraft and engines and the Maintenance Repair and Overhaul (MRO) sector. A reduction in global air travel will impact the volume of MRO and thus spares parts demand.
- **New equipment manufacture/aircraft retirement cycle:** both market-leading aircraft manufacturers (Boeing and Airbus) boast significant order books for new generation aircraft. The ability of the manufacturers to meet delivery timescales will in effect determine the rate at which older equipment is phased out. Mass retirements of a particular model of aircraft will reduce aircraft utilisation and MRO and thus the demand for parts. This would reduce the acquisition price at which the group acquires new inventory and would in turn reflect the reduced sale and lease opportunities of parts.
- **Original Equipment Manufacturers (OEMs) and air safety regulations:** in the interest of improving the operating reliability of products, from time-to-time equipment modifications are enforced by the OEMs or the relevant air safety agency. Such modifications can affect the merchantability or airworthiness of a component or aircraft which can lead to unforeseen overhaul costs or even the scrapping of inventory where no such corrective programme exists.
- **Cost/availability of financing:** both the cost and availability of financing may play a part in deciding the type of an aircraft that an airline will operate. The low cost of capital and increased availability of financing opportunities provides established and new start-up airlines opportunities for new technology aircraft that require less MRO spend.
- **Exchange fluctuations:** AerFin transacts in US dollars (asset sales, purchases and lease revenues), with operating costs mainly incurred in Sterling. US dollars is therefore the functional currency, thereby creating foreign exchange translation risk.
- **Customer Credit Risk:** While AerFin makes informed decisions when granting credit lines to its customers, counterparty credit risk remains a key consideration to the financial performance of the business. Despite a clear focus on debtors and managing overdue accounts, with many customers seeking to extend payment terms, an increase in debtor days and increased risk of airline defaults would represent clear risks to the business.
- **Asset Values:** with the debt facility advanced against appraised value of inventory, a reduction in the 12-month Orderly Liquidated Value and Current Market Value of assets could reduce the amount of leverage available to AerFin under the credit facility, thereby adversely impacting funding availability.
- **Interest Rates:** the business is financed in part through a revolving credit facility that is funded through 1-month USD Term SOFR loans. The business can be impacted by changes in 1-month USD Term SOFR rates.

## **Group Strategic Report (continued)**

### **Principal risks and uncertainties (continued)**

- **Asset Availability:** a reduction in the economic life of commercial aircraft that are core products of the business could result from the grounding of aircraft fleets. Although an increase in supply and a reduction demand could see declining market pricing achievable from AerFin inventory, no such declines have been experienced to date; and,
- **Maintenance Activity:** increased availability of used aircraft could result in global repair facilities and OEMs reducing their MRO capacity as airlines seek to conserve cash and minimise maintenance spend. A reduction in MRO activity could see a decline in material demand and result in a reduction in revenues.

### **Section 172 statement**

Commensurate with an investment by CataCap, a roadmap for establishing best practice in governance has been established:

#### **Board Composition:**

A team of industry-experienced and independent non-executive directors (8) has been established. The non-executive team comprises seasoned commercial aviation industry professionals, each bringing a different specialism, to ensure a diverse range of viewpoints is considered at board meetings and to support the strategic growth of the company.

The role of the non-executive team is to ensure that the performance of the business continues to align with the desired strategy of the board. The independent nature of the appointment also ensure that board decisions are balanced and not in favour of any particular shareholder nor group of shareholders.

#### **Strategy and Development of 5-year Plan:**

The business further refined its 5-year strategic plan with teams from right across the business conducting in-depth reviews and developing blueprints around the key pillars of commercial strategy, operational strategy and people strategy, with input from an industry-leading consultancy firm.

The review looked at AerFin's existing core skills and competencies, its products and services and considered the future size and shape of the industry, key global markets and changes in fleet composition. The review identified improvements and areas of focus for the business to meet the investment goals and timeframe. The review culminated in creating a sustainable and attractive business model focussed on growing the enterprise value of AerFin for the benefit of all stakeholders.

#### **Management Incentivisation:**

The retention and incentivisation of key management within the business is considered key to underpinning enterprise value of the organisation. The Management Investment and Incentivisation Programme was rolled out to all management in March 2020 to provide the ability to purchase shares in the business.

Staff training and development is a key focus of the future strategy of the business, as we look to build upon the skillset of the excellent team at AerFin. Skills and competencies are regularly assessed through an appraisal system and as a result of strategic and operational management reviews.

The directors aim to create a challenging, enjoyable and rewarding place to work where all staff have equal opportunity to thrive and develop.

## **Group Strategic Report (continued)**

### **Section 172 statement (continued)**

#### **Quality and Consistency:**

With AerFin being a key supplier to many international airlines across the globe, safety and quality are considered of primary importance throughout the organisation.

The business maintains AS9120 and EASA part 145 approvals:

We are committed to continuously evaluating and improving our Quality Management System (QMS) and rigorously adhere to the following code of conduct:

- Promoting a culture of ethical behaviour throughout the organization, with an emphasis on customer support and high levels of customer service;
- Remaining focused on the market we serve, targeting areas of opportunity so that we can continue to work in line with our strategy for growth;
- Ensuring product safety remains a priority throughout every aspect of our operations and that our staff are acutely aware of their contribution to this;
- Ensuring our objectives and KPI's add value and drive the correct behaviour in line with group values;
- Empowering staff to fulfil their duties whilst ensuring they remain aware of their responsibilities to uphold group values at all times; and,
- Maintaining effective communication channels through a series of informal and formal meetings and communications at various levels of the organization.

As proof of AerFin's commitment to delivering the highest standards of Quality Procedure, we have been examined and accredited by one of the world's leading certification bodies, ASACB (ASA Certification Body).

#### **External Stakeholders:**

AerFin follows the guidance of our quality standards in the approval of both customers and suppliers prior to transactions being entered into.

Relationships with both customers and suppliers are key to ensuring that the organisation thrives.

Key metrics are established on behalf of both customers and suppliers and performance in relation to turn around times and despatch times which are closely monitored.

Regularly meetings are held with key customers and suppliers to evaluate and review performance to ensure that highest standards are adhered to at all times.

## Group Strategic Report *(continued)*

### Going Concern:

As at 31 December 2022, the group's financial arrangements consisted of a revolving credit facility of USD \$100m in place through to October 2024. AerFin's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group will be able to operate within the level of its facilities for a forecast period of at least 12 months from the approval date of these financial statements. Accordingly, the group continues to adopt the going concern basis in preparing its consolidated financial statements.

The aviation industry has been significantly impacted by the COVID-19 pandemic: at its most severe impact point in Q2 2020, 3 quarters of the global commercial aircraft fleet were grounded, as many countries closed borders to stop the spread of the virus. The global fleet grounding drove a sudden drop in the demand for aircraft parts and aircraft maintenance and repair services. At the back end of 2020, the discoveries of several vaccines were announced, and these were rolled out en-masse to the populations through the 1<sup>st</sup> half of 2021. As detailed earlier in the business review, the demand and ability to travel by air has increased through 2022, in line with industry projections that expect air traffic figures to fully recover to 2019 levels between 2023 and 2025.

The business has managed to retain a large proportion of revenues, due to a strong committed forward order book, embedded relationships with creditworthy customers, supply to cargo operators and wide global reach allowing continuity of trade with regions less affected by the pandemic.

AerFin has also benefitted through its primary strategic focus and inventory holding that supports young narrow-body and regional jet aircraft types. The group has further benefitted through having no dependency on revenues from wide-body, long-haul aircraft and out-of-production legacy product lines that continue to experience significant levels of grounding and low market demand. The business has also taken the opportunity to secure additional long-term revenue contracts as many operators have sought to minimise their costs and review pre-existing contractual arrangements.

Management consider AerFin to be prudently resourced, well stocked with in-demand inventory and to have retained ability to control repair investment expenditure. Collectively, this has enabled the business to manage its liquidity position through a protracted period of aviation industry downturn resulting from the COVID-19 pandemic.

AerFin has created a flexible model to assess performance under a range of scenarios. Under the most adverse set of foreseeable circumstances (using 2022 as the floor), the forecast has concluded that the group has sufficient cash and covenant headroom during this period to conclude that the business remains a going concern.

The management team continues to closely monitor performance and update regular rolling forecasts. These take into account various commercial aviation outlook forecasts, and commentary produced by reputable consultancy and advisory firms, to balance the continued growth of the business and preserving its liquidity position.

Under the most severe of the "worst-case scenarios" considered by the reverse stress-testing, management remains confident that the business will be able to take sufficient mitigation action to ensure that the group's financial resources remain sufficient over the forecast.

## Group Strategic Report (continued)

### Streamlined Energy and Carbon Reporting:

AerFin's principal business activities include the recycling and reuse of aircraft parts. In order to prevail this environmentally responsible outlook throughout the operation, the business is continually considering the impact of its wider activities on the environment and looking at ways to improve and reduce its carbon footprint.

The quality control levels of our commodity demand that parts are stored within certain temperature and humidity ranges which means that storage temperatures at our facilities need to be maintained using heating.

The business operates over 2 main UK based sites, one of which is staffed twenty-four hours a day, seven days a week. The sites need to be well lit and heated to ensure a safe operating environment for our colleagues. Therefore, electricity and gas are the main drivers of AerFin's carbon emissions.

In the year the following energy efficiency actions were taken:

- Adopted hybrid working following return-to-work guidance from the Government
- Revisited the layout of storage facility to heat and light only where needed
- Joined the UN Global Compact initiative
- 2.3t of general waste was diverted from landfill and 0.7t was recycled, saving 0.5t of CO<sub>2</sub>e

The following projects have aimed at reducing the business carbon footprint are being considered:

- Revisit energy providers and use green energy where possible
- Cycle to work scheme
- Carbon offsetting

The business will continue to monitor its energy usage and effect improvements where practically possible, whilst maintaining a safe environment for our colleagues to work in.

Energy and carbon reporting for 2022:

	2022	2021	2020	2019
UK energy use (kWh) - see (1)	1,702,459	1,555,035	1,443,120	1,751,664
Associated Greenhouse gas emissions (tonnes CO <sub>2</sub> equivalent) - see (2)	344	306	284	349
Intensity Ratio: Emissions (Tonnes) per square ft of floor space	0.003	0.002	0.007	0.003

(1) UK energy use covers electricity, gas and transport as follows:

Activity	Source of Information
Electric use	Total kWh used from electricity bills
Natural gas use	Total kWh used from gas bills
Fuel used in company owned vehicles	Litres of fuel purchased from invoices and receipts
Business Travel - Land	Mileage travelled taken from expense claims

(2) The collected data is converted into greenhouse gas emissions associated with each activity, using the Government conversion factors for company reporting of greenhouse gas emissions (Data x Emission Factor = Greenhouse gas emissions).

On behalf the board and the co-investors I would like to thank the team at AerFin for their efforts through 2022 in achieving these pleasing results.

This report was approved by the board on 22/2/2023 and signed on its behalf:

  
S Goodson  
Director

## Directors' report

The directors present their report and financial statements of Atlantic Holdco Limited ("the Company"), and the group headed by the Company (together the "Group") for the year ended 31 December 2022.

The Company was incorporated on 14 August 2019, and on 18 October 2019 acquired the entire share capital of Atlantic Offerco Limited and its subsidiaries, AerFin Holdings Limited and AerFin Limited (the "AerFin Group").

The consolidated financial statements presented throughout this Annual report represent the year ended 31 December 2022. The comparative information represents the 12-month period ended 31 December 2021.

### Principal activity

The principal activity of the group is to supply aircraft components and technical services to the aviation industry.

### Results and dividends

The loss for the year, after taxation, amounted to \$536,000 (2021: loss \$2,064,000).

No dividends have been paid in the period.

### Directors

The directors who served during the period were:

R J James  
L W Mollan  
V Hahn-Petersen  
A Hoad  
M J Humphreys  
P Nolan (resigned 1 December 2022)  
P Ryttergaard  
S Goodson  
F Scott (appointed 1 December 2022)

### Disclosure of information to auditor


The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



S Goodson  
Director

Unit D Greenway,  
Bedwas, Caerphilly,  
CF83 8DW

22/2/2023

## **Statement of directors' responsibilities in respect of the annual report and the financial statements**

The directors are responsible for preparing the Annual Report and the group and parent company 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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK 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 group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



## KPMG LLP

Britannia Quay  
Cardiff  
CF10 4AX  
United Kingdom

### Independent auditor's report to the members of Atlantic Holdco Limited

#### Opinion

We have audited the financial statements of Atlantic Holdco Limited ("the company") for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated and Company Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

## **Independent auditor's report to the members of Atlantic Holdco Limited** (continued)

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Using analytical procedures to identify any usual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that Group management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as inventory valuation and provision for doubtful debts.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries posted to unusual accounts.
- Assessing significant accounting estimates for bias.

#### *Identifying and responding to risks of material misstatement relating to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and CAA, EASA and FAA regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

## **Independent auditor's report to the members of Atlantic Holdco Limited** *(continued)*

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 9, the directors are responsible for; the preparation of the financial statements and for being satisfied that they give a true and fair view, 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; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matter related to going concern; and using going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **Independent auditor's report to the members of Atlantic Holdco Limited** (continued)

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Jeremy Thomas (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
3 Assembly Square  
Britannia Quay  
Cardiff  
CF10 4AX

24 February 2023

**Consolidated Statement of Comprehensive Income**  
*for the year ended 31 December 2022*

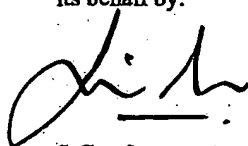
	<i>Note</i>	2022 \$'000	2021 \$'000
Turnover	5	115,500	84,444
Cost of sales		(86,417)	(63,906)
<b>Gross profit</b>		<b>29,083</b>	<b>20,538</b>
Administrative expenses		(23,196)	(18,494)
Exceptional administrative expenses	12	(2,539)	(92)
<b>Operating profit</b>	6	<b>3,348</b>	<b>1,952</b>
Interest payable and similar expenses	10	(3,788)	(3,238)
<b>Loss before taxation</b>		<b>(440)</b>	<b>(1,286)</b>
Tax on loss	11	(96)	(778)
<b>Loss and total comprehensive income for the financial year</b>		<b>(536)</b>	<b>(2,064)</b>

The notes on pages 20 to 37 form part of these financial statements.

**Consolidated Statement of Financial Position**  
*as at 31 December 2022*

	Note	2022		2021	
		\$'000	\$'000	\$'000	\$'000
<b>Fixed assets</b>					
Intangible assets:					
Goodwill	13		20,036		23,004
Other intangibles	13		182		518
			<u>20,218</u>		<u>23,522</u>
Tangible assets	14		16,921		17,097
			<u>37,139</u>		<u>40,619</u>
<b>Current assets</b>					
Stocks	16	92,095		79,627	
Debtors: amounts falling due within one year	17	26,139		18,931	
Cash at bank and in hand	18	536		475	
		<u>118,770</u>		<u>99,033</u>	
Creditors: amounts falling due within one year	19	(20,489)		(16,149)	
<b>Net current assets</b>			<u>98,281</u>		<u>82,884</u>
<b>Total assets less current liabilities</b>			<u>135,420</u>		<u>123,503</u>
Creditors: amounts falling due after more than one year	20		(68,017)		(56,584)
<b>Provisions for liabilities</b>					
Deferred taxation	24		(2,241)		(1,621)
<b>Net assets</b>			<u>65,162</u>		<u>65,298</u>
<b>Capital and reserves</b>					
Called up share capital	25		76,632		76,232
Profit and loss account	26		(11,470)		(10,934)
<b>Equity attributable to the parent's shareholders</b>			<u>65,162</u>		<u>65,298</u>

The financial statements were approved and authorised for issue by the board on 22 / 2 / 2023 and were signed on its behalf by:



**S Goodson**  
Director

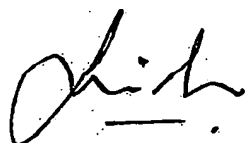
Company registered number: 12155837

The notes on pages 20 to 37 form part of these financial statements.

**Company Statement of Financial Position**  
*as at 31 December 2022*

	Note	2022 \$'000	2021 \$'000
<b>Fixed assets</b>			
Investments	15	57,500	57,500
<b>Current assets</b>			
Debtors: amounts falling due within one year	17	18,194	17,794
Cash at bank and in hand	18	-	-
		<u>18,194</u>	<u>17,794</u>
<b>Creditors: amounts falling due within one year</b>	19	-	-
<b>Net current assets</b>		<u>18,194</u>	<u>17,794</u>
<b>Total assets less current liabilities</b>		<u>75,694</u>	<u>75,294</u>
<b>Creditors: amounts falling due after more than one year</b>	20	-	-
<b>Net assets</b>		<u><u>75,694</u></u>	<u><u>75,294</u></u>
<b>Capital and reserves</b>			
Called up share capital	25	76,632	76,232
Profit and loss account	26	(938)	(938)
		<u>75,694</u>	<u>75,294</u>

The financial statements were approved and authorised for issue by the board on 22/1/2023 and were signed on its behalf by:



**S Goodson**  
*Director*

Company registered number: 12155837

The notes on pages 20 to 37 form part of these financial statements.

## Consolidated Statement of Changes in Equity

	Called up Share capital \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2021	59,788	(8,870)	50,918
<b>Comprehensive income for the period:</b>			
Loss for the year	-	(2,064)	(2,064)
<b>Total comprehensive income for the period</b>	-	(2,064)	(2,064)
<b>Transactions with owners, recorded directly in equity:</b>			
Issue of share capital	16,444	-	16,444
<b>At 31 December 2021</b>	<b>76,232</b>	<b>(10,934)</b>	<b>65,298</b>
Balance at 1 January 2022	76,232	(10,934)	65,298
<b>Comprehensive income for the period:</b>			
Loss for the year	-	(536)	(536)
<b>Total comprehensive income for the period</b>	-	(536)	(536)
<b>Transactions with owners, recorded directly in equity:</b>			
Issue of share capital	400	-	400
<b>At 31 December 2022</b>	<b>76,632</b>	<b>(11,470)</b>	<b>65,162</b>

The notes on pages 20 to 37 form part of these financial statements.

## Company Statement of Changes in Equity

	Called up Share capital \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2021	59,788	(483)	59,305
<b>Comprehensive income for the period:</b>			
Loss for the year	-	(455)	(455)
<b>Total comprehensive income for the period</b>	-	(455)	(455)
<b>Transactions with owners, recorded directly in equity:</b>			
Issue of share capital	16,444	-	16,444
<b>At 31 December 2021</b>	<b>76,232</b>	<b>(938)</b>	<b>75,294</b>
Balance at 1 January 2022	76,232	(938)	75,294
<b>Comprehensive income for the period:</b>			
Profit/loss for the year	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-
<b>Transactions with owners, recorded directly in equity:</b>			
Issue of share capital	400	-	400
<b>At 31 December 2022</b>	<b>76,632</b>	<b>(938)</b>	<b>75,694</b>

The notes on pages 20 to 37 form part of these financial statements.

**Consolidated Statement of Cash Flows**  
for year ended 31 December 2022

	<i>Note</i>	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
Loss for the year		(536)	(2,064)
Adjustments for:			
Amortisation of intangible assets	13	3,339	3,334
Depreciation of tangible assets	14	2,863	2,800
Loss/(profit) on disposal of tangible assets		805	366
Interest payable and similar charges	10	3,788	3,238
Taxation		96	778
(Increase)/decrease in trade and other debtors		(6,908)	(8,398)
(Increase)/decrease in stocks		(12,468)	(1,904)
Decrease/(increase) in trade and other creditors		4,841	6,559
Corporation tax paid		389	(65)
<b>Net cash from operating activities</b>		<u>(3,791)</u>	<u>4,644</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of tangible fixed assets		1,620	996
Acquisition of a subsidiary	4	-	-
Acquisition of tangible fixed assets		(5,112)	(3,363)
Acquisition of intangible assets		(35)	-
<b>Net cash from investing activities</b>		<u>(3,527)</u>	<u>(2,367)</u>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of share capital		100	-
Proceeds from new borrowings:			
- Revolving credit facility		13,419	-
- Secured loan		-	-
Repayment of borrowings		(2,338)	(4,315)
Repayment of/new finance lease liabilities		(14)	(41)
Interest paid		(3,788)	(2,783)
<b>Net cash from financing activities</b>		<u>7,379</u>	<u>(7,139)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>61</u>	<u>(4,862)</u>
Cash and cash equivalents at beginning of period		475	5,337
<b>Cash and cash equivalents at 31 December</b>		<u><u>536</u></u>	<u><u>475</u></u>

## Notes

*(forming part of the financial statements)*

### 1 General information

Atlantic Holdco Limited (the "Company") and its subsidiaries (together the "Group") supply aircraft components and technical services to the aviation industry.

The Company is a limited liability company incorporated on 14 August 2019 in England and Wales. The registered number is 12155837 and the registered office is Unit D Greenway, Bedwas, Caerphilly, Wales CF83 8DW.

### 2 Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The group's functional and presentational currency is USD. Monetary amounts in the financial statements are rounded to the nearest \$1,000.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### 2.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2022. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

## Notes (continued)

### 2 Accounting policies (continued)

#### 2.3 Going concern

As at 31 December 2022, the group had net current assets of \$98,281,000, net assets of \$65,162,000 and reported a loss for the year then ended of \$536,000. The directors have prepared the financial statements on a going concern basis which they consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downside scenarios, the group will have sufficient funds, through its existing revolving credit facility and ongoing trading, to meet its liabilities as they fall due for that period.

In preparing these forecasts the directors have considered reasonably possible downside scenarios including factors resulting from the current economic situation and overall market conditions. Please refer to the Strategic Report on page 1 that references the going concern review undertaken by the board.

As at 31 December 2022 the group had drawn down USD \$68m of the USD \$100m revolving credit debt facility, which is in place through to October 2024. In addition to this, in December 2020, the group obtained loan finance of \$5,238,000 from the Development Bank of Wales to provide liquidity during the COVID-19 crisis and to support the purchase of stock and assets. The loan was drawn down in one tranche in December 2020. The 3-year loan is subject to capital repayment holiday for the first 6 months, and then repayable in 30 monthly instalments. The repayments have been included in the forecast cashflows as described above in accordance with the terms.

Based on the forecasts prepared and assumptions described above, including reasonably possible downside scenarios, the Directors are confident that the group will have sufficient funds and covenant headroom to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods:** Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services:** Revenue from arrangements to provide services, including the continual access to serviceable parts, is recognised in the period in which the services are provided using the method that measures most reliably the work performed and when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration associated with the service;

## **2 Accounting policies (continued)**

### **2.4 Intangible assets**

#### *Goodwill*

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of comprehensive income over its useful economic life.

#### *Other intangible assets*

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	- 10 years
Customer contracts	- contract life
Development expenditure	- 5 years
Trademarks	- 5 years

#### *Intangible assets acquired in a business combination*

The Group and Company recognises intangible assets from goodwill if the intangible meets all of the following three criteria:

- meets the recognition criteria per FRS 102.18.4; and
- are separable; and
- arise from contractual or other legal rights.

### **2.5 Business combinations**

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the Group recognises goodwill at the acquisition date as;

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

## Notes (continued)

### 2 Accounting policies (continued)

#### 2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	5 years
Plant and machinery	-	3-4 years
Fixtures and fittings	-	4 years
Office equipment	-	4 years
Capitalised inventory	-	10-12 years
Warehouse and storage equipment	-	4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

#### 2.7 Valuation of investments

Investments in subsidiaries are valued at cost less provision for impairment.

#### 2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

The group is involved with purchasing aircraft or engines. The purchase price paid is specific to the aircraft or engine as a whole. The group may make sales of many components that are obtained from the aircraft or the engine. There is no purchase price allocated for the individual components.

In line with standard industry practice, for each sale of a component, an element of the aircraft purchase price and capitalised inventory cost is recognised in the profit and loss as the cost of the goods sold. The cost of the goods sold is calculated based on the forecast margins achievable from the sale of all the components taken from the original engine or aircraft.

The carrying value of the inventory consists of the initial purchase price and capitalised inventory costs, less all amounts recognised in the Consolidated statement of comprehensive income through the above outlined costs of goods sold calculations.

#### 2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

## Notes (continued)

### 2 Accounting policies (continued)

#### 2.11 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets that are measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured at the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

#### 2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.13 Foreign currency translation

##### *Functional and presentation currency*

The company's functional and presentational 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 Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

## Notes (continued)

### 2 Accounting policies (continued)

#### 2.14 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.15 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard continue to be charged over the period to the first market rent review rather than the term of the lease.

#### 2.16 Pensions

##### *Defined contribution pension plan*

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

The company operates a defined contribution pension scheme and the pension charge represents the accounts payable by the company to the fund in respect of the period.

#### 2.17 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

#### 2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

#### 2.19 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### 2.20 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

## Notes (continued)

### 2 Accounting policies (continued)

#### 2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 3 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

#### *Critical accounting judgements in applying the group's accounting policies:*

In the course of preparing the financial statements, no judgements have been made in the process of applying the Group's accounting policies, other than those involving estimations (which are dealt with separately below), that have had a significant effect on the amounts recognised in the financial statements.

#### *Source of estimation uncertainty and judgements involving estimations:*

The group does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Notwithstanding this, as a significant portion of the Group's activities relate to long term engine and aircraft teardown projects, the Group is required to make estimates in accounting for the cost of sale and margin as well as the related inventory valuation. These include forecasted sales, forecasted costs and actual costs incurred to date. There is a detailed approval process for forecasted performance and estimates are updated regularly. These estimates may depend upon the outcome of future events and may need to be revised as circumstances change. Further detail is provided in the respective accounting policies.

#### *Provision for doubtful debts*

The level of provision for doubtful debts has increased significantly from the previous year, specifically due to the inability to collect from Russian customers following the introduction of sanctions as a result of the conflict in Ukraine, which was not anticipated in the prior period. Outside of this, the range of possible outcomes resulting from various assumptions relating to the recoverability of debtors is not material and therefore management do not consider this to be a critical estimate.

## Notes (continued)

### 4 Acquisitions and disposal of businesses

#### *Acquisitions in the current period*

There are no acquisitions or disposals in the current or prior period.

### 5 Turnover

The whole of the turnover is attributable to sales, repairs and leasing of airline components.

Analysis of turnover by country of destination:

	2022 \$'000	2021 \$'000
United Kingdom	17,006	12,193
United States of America	39,859	22,239
Rest of the World	58,635	50,012
	<u>115,500</u>	<u>84,444</u>

### 6 Operating profit

Included in operating profit are the following:

	2022 \$'000	2021 \$'000
Depreciation of tangible fixed assets	2,863	2,800
Amortisation of intangible assets, including goodwill	3,339	3,334
Exchange differences	281	(205)
	<u>6,483</u>	<u>5,929</u>

### 7 Auditor's remuneration

Included in profit/loss are the following:

	2022 \$'000	2021 \$'000
Audit of these financial statements	18	12
<i>Fees payable to the Group's auditor and its associates in respect of:</i>		
Audit of financial statements of subsidiaries of the company	117	106
Taxation compliance services	26	13
	<u>151</u>	<u>131</u>

## Notes (continued)

### 8 Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 \$'000	Company 2022 \$'000	Group 2021 \$'000	Company 2021 \$'000
Wages and salaries	7,928	-	7,184	-
Social security costs	959	-	805	-
Cost of defined contribution scheme	248	-	327	-
	<u>9,135</u>	<u>-</u>	<u>8,316</u>	<u>-</u>

The average monthly number of employees, including the directors, during the period was as follows:

	2022 Number	2021 Number
Operational	46	38
Administration	71	65
Management	7	8
	<u>124</u>	<u>111</u>

### 9 Directors' remuneration

	2022 \$'000	2021 \$'000
Directors' emoluments	577	796
Company contributions to defined contribution pension schemes	17	114
	<u>594</u>	<u>910</u>

During the period retirement benefits were accruing to 1 director (2021: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of \$385,680 (2021: \$555,183). The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to \$12,441 (2021: \$107,491).

### 10 Interest payable and similar expenses

	2022 \$'000	2021 \$'000
Bank interest payable	3,788	2,781
Finance leases and hire purchase contracts	-	2
Preference share interest	-	455
	<u>3,788</u>	<u>3,238</u>

## Notes (continued)

### 11 Taxation

	2022 \$'000	2021 \$'000
<i>Current tax</i>		
Current tax on income for the year/period	214	362
Adjustments in respect of prior periods	(738)	(29)
<b>Total current tax</b>	<b>(524)</b>	<b>333</b>
<i>Deferred tax</i>		
Origination and reversal of timing differences	231	75
Adjustments in respect of prior periods	389	(1)
Effect of tax rate change on opening balance	-	371
<b>Total deferred tax</b>	<b>620</b>	<b>445</b>
<b>Total tax</b>	<b>96</b>	<b>778</b>
<b>Reconciliation of effective tax rate</b>		
	2022 \$'000	2021 \$'000
Loss for the year	(536)	(2,064)
Total tax expense/(credit)	96	778
Loss excluding taxation	(440)	(1,286)
Tax using the corporation tax in the UK of 19% (2021: 19%)	(84)	(244)
<i>Effects of:</i>		
Non-deductible expenses	(106)	655
Fixed asset differences	580	8
Non-taxable income	-	-
Change in tax rate on deferred tax balances	56	389
Remeasurement of acquired current and deferred tax	-	-
Adjustments in respect of prior periods	(350)	(30)
<b>Total tax expense/(credit) included in profit or loss</b>	<b>96</b>	<b>(778)</b>

#### Factors that may affect future tax charges

A UK corporation rate of 19% (effective 1 April 2021) was substantively enacted on 17 March 2021, reversing the previously enacted reduction in the rate from 19% to 17%.

In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023 and was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax liability at 31 December 2022 has been calculated based on these rates, reflecting the expected timing of reversal of the related timing differences.

## Notes (continued)

### 12 Exceptional items

	2022 \$'000	2021 \$'000
Professional fees	366	92
Bad debt relating to Russia/Ukraine crisis	2,173	-
	<u>2,539</u>	<u>92</u>

Professional fees relate to the development of the companies three continuous improvement workstreams, relating to commercial strategy, operations strategy and people strategy.

### 13 Intangible assets

Group	Development \$'000	Trademarks \$'000	Customer contracts \$'000	Goodwill \$'000	Total \$'000
<b>Cost</b>					
At 1 January 2022	33	5	3,342	29,682	33,062
Additions	35	-	-	-	35
<b>At 31 December 2022</b>	<u>68</u>	<u>5</u>	<u>3,342</u>	<u>29,682</u>	<u>33,097</u>
<b>Amortisation</b>					
At 1 January 2022	33	5	2,824	6,678	9,540
Charge for the period	5	-	366	2,968	3,339
<b>At 31 December 2022</b>	<u>38</u>	<u>5</u>	<u>3,190</u>	<u>9,646</u>	<u>12,879</u>
<b>Net book value</b>					
At 31 December 2022	<u>30</u>	<u>-</u>	<u>152</u>	<u>20,036</u>	<u>20,218</u>
At 31 December 2021	<u>-</u>	<u>-</u>	<u>518</u>	<u>23,004</u>	<u>23,522</u>

As part of the acquisition of the AerFin Group in 2019, contractual customer contracts were recognised separately from goodwill.

Amortisation for the period is included in administrative expenses in the consolidated profit and loss account. The remaining amortisation periods as at 31 December 2022 are as follows:

Goodwill	9 years
Customer contracts	Life of the contracts

#### Company

The company has no intangible assets and goodwill.

## Notes (continued)

### 14 Tangible fixed assets

Group	Long-term leasehold property \$'000	Plant and machinery \$'000	Warehouse and storage equipment \$'000	Fixtures & fittings \$'000	Office equipment \$'000	Capitalised inventory \$'000	Total \$'000
<b>Cost or valuation</b>							
At 1 January 2022	56	1,880	955	1,435	1,356	25,267	30,949
Additions	-	351	74	70	437	4,180	5,112
Disposals	-	(25)	-	-	-	(3,548)	(3,573)
<b>At 31 December 2022</b>	<b>56</b>	<b>2,206</b>	<b>1,029</b>	<b>1,505</b>	<b>1,793</b>	<b>25,899</b>	<b>32,488</b>
<b>Depreciation</b>							
At 1 January 2022	37	1,851	715	1,331	1,207	8,711	13,852
Charge for the period	13	63	92	66	143	2,486	2,863
Disposals	-	(25)	-	-	-	(1,123)	(1,148)
<b>At 31 December 2022</b>	<b>50</b>	<b>1,889</b>	<b>807</b>	<b>1,397</b>	<b>1,350</b>	<b>10,074</b>	<b>15,567</b>
<b>Net book value</b>							
At 31 December 2022	6	317	222	108	443	15,825	16,921
At 31 December 2021	19	29	240	104	149	16,556	17,097

### 15 Fixed asset investments

#### Company

	Investment in subsidiary undertakings \$'000
<b>Cost or valuation</b>	
At 1 January 2022 and 31 December 2022	57,500
<b>Net book value</b>	
At 1 January 2022 and 31 December 2022	57,500

Included within the fixed asset investment additions above is \$6,900,000 of loan notes issued to Atlantic Offerco Limited as part of the acquisition of Aerfin Holdings Limited. These loan notes are considered to be long term in nature and recoverable in more than one year and have therefore been classified as part of the investment in subsidiary undertakings.

## Notes (continued)

### 15 Fixed asset investments (continued)

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal Activity	Class of shares	Holding
Atlantic Offerco Limited	United Kingdom	Intermediate holding company	Ordinary	100%
AerFin Holdings Limited	United Kingdom	Intermediate holding company	Ordinary	(Indirectly 100%)
AerFin Limited	United Kingdom	Sale and repair of airline components	Ordinary	(Indirectly 100%)
AerFin US LLC	U.S.A.	Marketing of airline components	Ordinary	(Indirectly 100%)

The registered office for the above subsidiaries is the same as for the company except for AerFin US LLC, whose registered office is 2125 Biscayne Blvd., Miami, Florida 33137, U.S.A..

### 16 Stocks

	Group 2022 \$'000	Group 2021 \$'000
Finished goods	92,095	79,627

### 17 Debtors

	Group 2022 \$'000	Company 2022 \$'000	Group 2021 \$'000	Company 2021 \$'000
Trade debtors	18,264	-	12,385	-
Amounts owed by group undertakings	-	16,869	-	16,769
Prepayments and accrued income	6,551	-	5,521	-
Other debtors	1,324	1,325	1,025	1,025
	<u>26,139</u>	<u>18,194</u>	<u>18,931</u>	<u>17,794</u>

Amounts owed by group undertakings to the company, are repayable on demand but are expected to be recovered in more than 12 months. No interest is applied to these amounts.

Other debtors in the company relates to advances made by the company to certain individuals to subscribe for shares in relation to the Management Incentive and Investment Programme (MIIP). The receivable is to be repaid directly by the individuals, and any remaining balance will become payable in full in the case of an exit event, or in the event an employee leaves the company.

### 18 Cash and cash equivalents

	Group 2022 \$'000	Company 2022 \$'000	Group 2021 \$'000	Company 2021 \$'000
Cash at bank and in hand	536	-	475	-

## Notes (continued)

### 19 Creditors: amounts falling due within one year

	Group 2022 \$'000	Company 2022 \$'000	Group 2021 \$'000	Company 2021 \$'000
Bank loans	2,067	-	2,418	-
Trade creditors	5,603	-	5,240	-
Corporation tax	165	-	301	-
Other taxation and social security	304	-	228	-
Obligations under finance lease and hire purchase contracts	2	-	16	-
Other creditors	907	-	565	-
Accruals and deferred income	11,441	-	7,381	-
	<u>20,489</u>	<u>-</u>	<u>16,149</u>	<u>-</u>

Bank loans consist of \$2,066,863 (2021: \$2,418,000) being amounts falling due within one year in respect of a loan from the Development Bank of Wales and \$nil (2021: \$nil) due under the Group's senior revolving credit facility. See note 22 for details of repayment terms.

### 20 Creditors: amounts falling after more than one year

	Group 2022 \$'000	Company 2022 \$'000	Group 2021 \$'000	Company 2021 \$'000
Bank loans	68,017	-	56,584	-
Obligations under finance leases and hire purchase contracts	-	-	-	-
	<u>68,017</u>	<u>-</u>	<u>56,584</u>	<u>-</u>

Bank loans consist of \$61,000 (2021: \$2,048,000) being amounts falling after more than one year in respect of a loan from the Development Bank of Wales and \$67,956,000 (2021: \$54,536,000) due under the group's senior revolving credit facility.

The group's senior revolving credit facility is secured via a fixed and floating charge over assets of the group headed by Atlantic Offerco Limited. The facility is in place until October 2024 and interest is charged at 1-month USD Term SOFR +350 Bps. The loan from the Development Bank of Wales, obtained in December 2020, is secured against certain assets of the group and a second priority ranked fixed and floating charge over assets of the group, repayable over 36 months with interest only being applied for the first six months. Interest is charged at 5% p.a.

### 21 Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 \$'000	Group 2021 \$'000
Within one year	2	16
Between 1-2 years	-	-
	<u>2</u>	<u>16</u>

## Notes (continued)

### 22 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	Group 2022 \$'000	Company 2022 \$'000	Group 2021 \$000	Company 2021 \$000
<b>Creditors falling due after more than one year</b>				
Revolving credit facility	67,956	-	54,536	-
Secured bank loan	61	-	2,048	-
Finance lease liabilities	-	-	-	-
	<u>68,017</u>	<u>-</u>	<u>56,584</u>	<u>-</u>
<b>Creditors falling due within less than one year</b>				
Revolving credit facility	-	-	-	-
Secured bank loan	2,067	-	2,418	-
Finance lease liabilities	2	-	16	-
	<u>2,069</u>	<u>-</u>	<u>2,434</u>	<u>-</u>

Secured bank loans consist of \$2,128,000 in respect of a loan from the Development Bank of Wales. The loan, obtained in December 2020, is repayable over 36 months subject to a capital repayment holiday for the first six months and then repayable in 30 monthly instalments. Interest is charged at 5% per annum.

Amounts of \$67,956,000 due under the group's senior revolving credit facility are secured via a fixed and floating charge over all assets of the group headed by Atlantic Offerco Limited. The facility is in place until October 2024 and interest is charged at 1-month USD Term SOFR +350 Bps.

#### Terms and debt repayment schedule

	Currency	nominal interest rate	Year of maturity	Repayment schedule	2022 \$000	2021 \$000
Revolving credit facility	USD(\$)	Variable	2024	Variable	67,956	54,537
Secured bank loan	GBP(£)	5%	2023	Monthly	2,128	4,466
Finance lease liabilities	GBP(£)	Variable	2022	Monthly	2	16
					<u>70,086</u>	<u>59,019</u>

## Notes (continued)

### 23 Financial instruments

	Group 2022 \$'000	Company 2022 \$'000	Group 2021 \$'000	Company 2021 \$'000
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	-	-	-	-
Financial assets measured at amortised cost	20,124	18,194	14,539	17,794
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(87,129)	-	(71,640)	-

Financial assets that are measured at amortised cost comprise of cash balances, trade debtors, amounts due from group undertakings and other debtors, excluding prepayments.

Financial liabilities measured at amortised cost comprise of bank loans, trade creditors, amounts owed to group undertakings, finance lease obligations and accruals, excluding the taxation liabilities.

#### Net debt

The below is an analysis of changes in net debt of the Group from the beginning to the end of the current reporting period:

Group	Borrowings due within one year \$'000	Borrowings due after one year \$'000	Obligations under finance lease liabilities \$'000	Subtotal \$'000	Cash and cash equivalents \$'000	Net debt \$'000
<b>Net debt analysis</b>						
At 31 December 2021	(2,418)	(56,584)	(16)	(59,018)	475	(58,543)
Conversion of Preference Shares to Ordinary	-	-	-	-	-	-
Movement between Non-Current and Current	(1,986)	1,986	-	-	-	-
Cash flows	2,338	(13,419)	14	(11,067)	61	(11,006)
<b>At 31 December 2022</b>	<b>(2,067)</b>	<b>(68,017)</b>	<b>(2)</b>	<b>(70,086)</b>	<b>536</b>	<b>(69,550)</b>

### 24 Deferred taxation

	Group 2022 \$'000	Company 2022 \$'000	Group 2021 \$'000	Company 2021 \$'000
At beginning of period	1,621	-	1,176	-
Acquired in the period	-	-	-	-
Charged to profit or loss	620	-	445	-
<b>At 31 December</b>	<b>2,241</b>	<b>-</b>	<b>1,621</b>	<b>-</b>

The provision for deferred taxation is made up as follows:

	Group 2022 \$'000	Company 2022 \$'000	Group 2021 \$'000	Company 2021 \$'000
Accelerated capital allowances	2,241	-	1,621	-
Short term timing differences	-	-	-	-
<b></b>	<b>2,241</b>	<b>-</b>	<b>1,621</b>	<b>-</b>

## Notes (continued)

### 25 Share capital

		\$
<b>Share issues:</b>		
At 14 December 2019 – issued 1 A1 Ordinary share of \$1		1
<i>Issued on 18 October 2019:</i>		
32,889,630	A1 Ordinary shares of \$1	32,889,630
370	A2 Ordinary shares of \$1	370
17,710,000	A3 Ordinary shares of \$1	17,710,000
6,900,000	B1 Ordinary shares of \$1	6,900,000
<i>Issued on 12 March 2020:</i>		
1,616,539	B2 Ordinary shares of \$1	1,616,539
6,505,765	C Ordinary shares of \$0.10	650,577
<i>Issued on 27 March 2020</i>		
13,806	B2 Ordinary Shares	13,806
69,030	C Ordinary Shares	6,903
<i>Issued on 27 June 2021:</i>		
14,015,328	A1 Ordinary Shares of \$1	14,015,328
158	A2 Ordinary Shares of \$1	158
2,428,545	A3 Ordinary Shares of \$1	2,428,545
<b>At 31 December 2021</b>		<b>76,231,856</b>
<i>Issued on 19 August 2022:</i>		
297,436	B2 Ordinary Shares of \$1	297,436
1,025,642	C2 Ordinary Shares of \$0.10	102,564
<b>At 31 December 2022</b>		<b>76,631,856</b>
<hr/>		
	2022	2021
	\$'000	\$'000
<b>Allotted, called up and fully paid</b>		
46,904,959 (2021: 46,904,959) A1 Ordinary shares of \$1 each	46,905	46,905
528 (2021: 528) A2 Ordinary shares of \$1 each	1	1
20,138,545 (2021: 20,138,545) A3 Ordinary shares of \$1 each	20,139	20,139
6,900,000 (2021: 6,900,000) B1 Ordinary shares of \$1 each	6,900	6,900
1,927,781 (2021: 1,630,345) B2 Ordinary shares of \$1 each	1,928	1,630
6,574,795 (2021: 6,574,795) C Ordinary shares of \$0.10 each	657	657
1,025,642 (2021: nil) C2 Ordinary shares of \$0.10 each	103	-
	<hr/>	<hr/>
	<b>76,632</b>	<b>76,232</b>
	<hr/>	<hr/>

During the period the Company issued ordinary shares for cash consideration as above. No share premium arose on shares issued in the period.

The holders of the A1 Ordinary, A2 Ordinary, A3 Ordinary and B1 Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

The holders of the B2 Ordinary, C Ordinary and C2 Ordinary shares are entitled to receive dividends as declared from time to time and have no voting rights.

There are no restrictions on dividends and the repayment of capital.

### 26 Reserves

#### Profit and loss account

Includes all current period retained profits and losses, less any dividends paid.

## Notes (continued)

### 27 Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to \$248,000 (2021: \$327,000).

### 28 Commitments under operating leases

At the end of the period the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 \$'000	Group 2021 \$'000
Not later than 1 year	828	821
Later than 1 year and not later than 5 years	2,728	2,873
Later than 5 years	1,267	1,852
	<u>4,823</u>	<u>5,546</u>

### 29 Related party transactions

During the period, the Group made purchases of \$14,020 from CataCap Management A/S (2021: \$10,360). CataCap Management A/S, an entity incorporated in Denmark, is affiliated with the ultimate controlling party. During the year, the company made sales of \$27,000 (2021: \$nil) to and made purchases of \$1,323.60 (2021: \$nil) from TP Aerospace, an entity incorporated in Denmark, whose ultimate controlling party is CataCap Management NS..

The Group has taken the exemption permitted by Financial Reporting standard 102 section 33 not to disclose any related party transactions with any companies in the group headed by Atlantic Holdco Limited, on the basis that they are a wholly owned group and consolidated accounts are publicly available.

#### *Transactions with key management personnel*

Total compensation of key management personnel (including the directors) in the year amounted to \$1,969,000 (2021: \$2,278,000).

### 30 Parent and ultimate controlling party

The Group's ultimate controlling parent is CataCap II K/S, a company registered in Denmark.

The accounts of CataCap II K/S are prepared in accordance with IFRS as an investment vehicle, hence there is no consolidation. Accounts are available at CataCap, Oster Alle 42, 7th, DK-2100 Copenhagen, Denmark.