TrueNoord
Regional Aircraft Leasing

At flight level

Annual Report 2019-20

TrueNoord Fleet

Republic
6 Embraer E170

At flight level

Our goal is to become one of the world's leading regional aircraft leasing specialists. To achieve this, TrueNoord's focus throughout the financial year 2019-2020 has been not only the continuation of our planned growth trajectory but also the consolidation of our portfolio, team, and processes.

We have concentrated our energies on forging ever-stronger associations with customers, investors, and financiers to cement our foundations within the global regional aviation sector. This strategy has enabled us to maintain a platform for TrueNoord that has the scope and capability to expand into new regions with top-tier carriers, and to underpin our on-balance sheet asset portfolio with younger and new aircraft types.

These enriched relationships now span the planet helping operators in emerging and mature economies to build connectivity, open new routes, and modernise their fleets with fuel-efficient and environmentally sustainable aircraft.

Flexibility, collaboration, and honesty embody the TrueNoord spirit and these characteristics, combined with our deliberate application of continuous improvement policies across a year of solid growth, prepared us for the initial impact of the COVID-19 crisis. From our position of stability, financial prudence, and technical expertise, we continue to deliver innovative leasing solutions and provide our customers with the support they need.

TrueNoord Fleet

Finnair
3 Embraer E190

Our profile

47
Aircraft in fleet

6.3yrs
Average age of fleet

3.9yrs
Average lease term remaining

27
Employees

8
Aircraft types

17
Lessees

Figures accurate up to 31st March 2020

Figures compared with last financial year: Up Down

Our marketplace

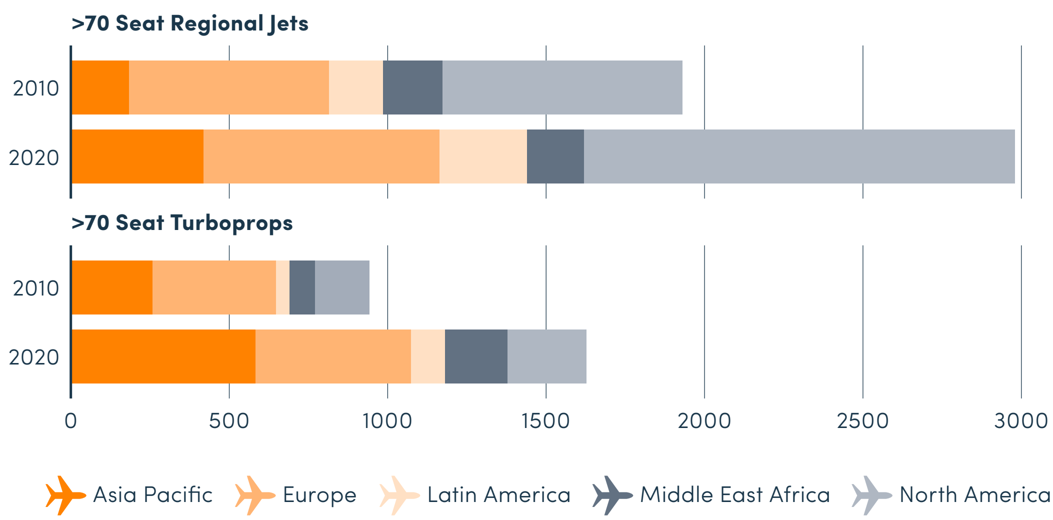
Aircraft with a capacity of between 50 and 150 seats is our competitive niche in the commercial aircraft leasing space. We understand the traditionally important role of these lower seating capacity aircraft in linking remote locations to larger conurbations. In today's market, smaller aircraft have also been deployed to increase frequency between larger cities or fulfil lower demand off-peak services. As a new 'normal' emerges beyond the reported current financial year, these smaller aircraft are increasingly servicing routes formerly operated by larger aircraft. The size and scope of our marketplace is increasing.

Turboprop aircraft continue to dominate in the smaller capacity segment up to the 70-seat category. This year witnessed continued demand for turboprops in Asia, particularly to connect remoter regions. Unlike mature economically developed countries, most of this increase has been fueled by the growth in demand for regional connectivity, rather than any replacement needs. As a consequence, TrueNoord benefitted through leasing factory-new aircraft to Bangladesh and the Philippines.

Large turboprops and regional jets between 70-90 seats both serve different types of requirement and varied geographical markets. Turboprops dominate in Asia while regional jets serve the majority of domestic markets in the Americas. During the year this category of regional jets in North America was added to our portfolio marking the Company's entry to the world's largest regional aircraft market.

The above 90 seat segment remains exclusively the domain of regional jets including existing GE CF34 powered aircraft and new generation geared turbofan models. Such aircraft will continue to support the growth of regional carriers, especially the subsidiaries and affiliates of major airlines, and those mainline airlines needing extra capacity that does not justify the use of narrow body aircraft. TrueNoord continues to see a substantial opportunity in this up to 150-seat segment to expand our marketplace and we have added more aircraft with established European network airlines.

Growth of global >70 seat Turboprop and Regional Jet Fleet



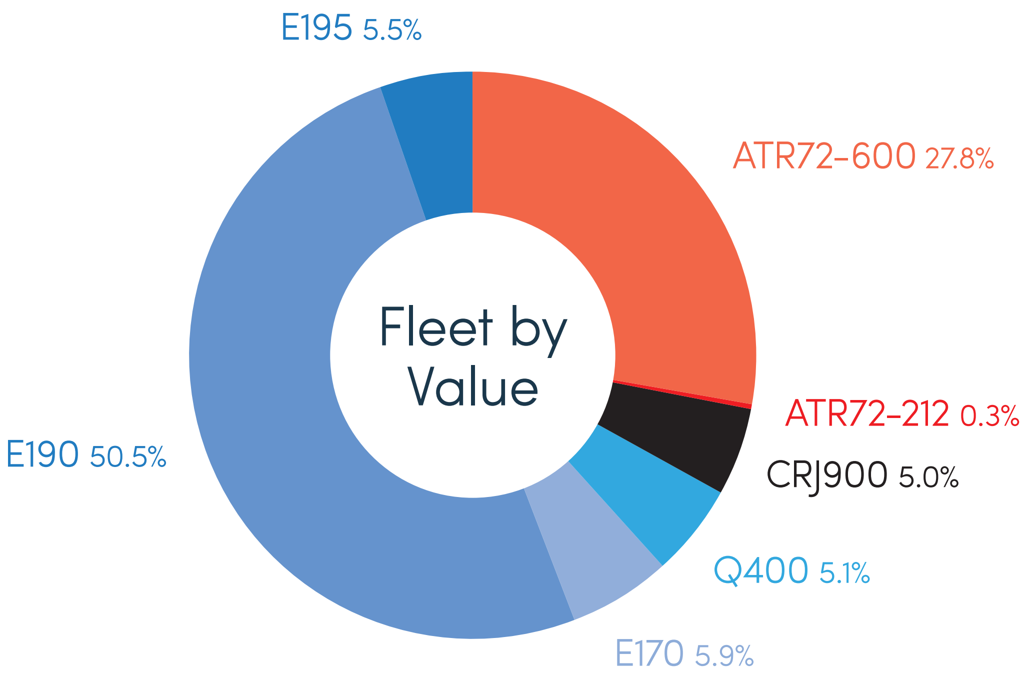
Our customers

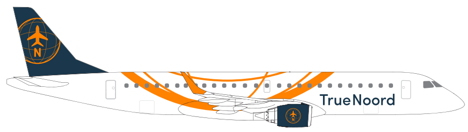
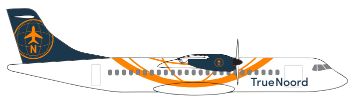
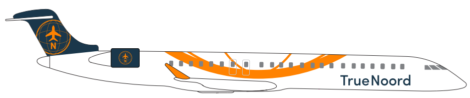
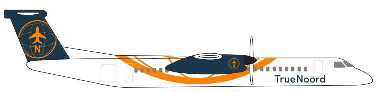
The diversity of TrueNoord's global clients and our expanding fleet provide the keys to our balanced portfolio. Over the course of the financial year, TrueNoord has continued to diversify its customer base through the addition of a mix of further existing and new aircraft types, with strong lessees.

In particular, the Company has grown its portfolio of factory-new ATR72-600s and its first Dash 8-400 aircraft at US-Bangla and Philippine Airlines respectively.

The Company also showed its flexibility to meet changing customer needs by accommodating the early return of an ATR72-600 from Air France HOP!, then remarketing and delivering the aircraft to a new lessee – US-Bangla. TrueNoord also completed the sale of one CRJ-200 upon its scheduled return from Air Nostrum.

The composition of the Company's regional jet portfolio also saw further development. We acquired our first six E170s leased to Republic Airways for their onward deployment with Delta Airlines. Three further E190 regional jets on lease to Finnair were also added and these were supplemented by an additional aircraft leased to British Airways Cityflyer after the end of the financial year.



EMBRAER		21 E190 6 E170 2 E195
ATR		13 ATR72-600 1 ATR72-212
BOMBARDIER		2 CRJ900
DE HAVILLAND AIRCRAFT OF CANADA LIMITED		2 Q400

Chairman's statement

As I reviewed my comments from last year, I could pretty much cut and paste a whole section whereby we say we continue to execute our plan to achieve 50 owned aircraft by 2020. Indeed, this objective was met bang on time in August of this year with 47 at the end of March 2020.

Part two of our plan is to grow to 100 units by 2023. This remains in place though, of course, the uncertainties around COVID-19 may provide us with opportunities to accelerate that if circumstances are favourable. On the other hand, we may slow down a little, it really depends how the market develops. However, my long-term view is once the uncertainty around COVID-19 passes there will be an increased tendency for airlines to use the operating lease model as their preferred way of acquiring and financing their fleets going forwards. This will certainly grow the market for traditional operating lessors like TrueNoord.

The market is largely beyond our control so we will first and foremost stay disciplined in our buying and focus on the regional sector which we know so well. We are confident about the future as we have significant shareholder support if our growth opportunities demand it. In terms of debt we are well placed with sufficient facilities available to move closer to our next objective. Notwithstanding all the growth, we remain cautious about the near-term future and this will always be front of mind when we calculate our buffer requirements.

Regarding our third operational objective of 250 units, this remains in place for the medium to long term. Again, the speed of getting there probably depends on us executing a portfolio transaction at some point, and the opportunities for that will present themselves as the COVID-19 crisis unfolds.

So, whilst COVID-19 is having a severe effect on us all, we remain robust having received superb support from our shareholders and our debt providers. All our obligations to our debt providers have been honoured with principal and interest paid in full, partly due to our counterparty balance of credits and partly due to our low leverage. Obviously, as we grow, we will continue to focus on better credits, the most popular regional aircraft, and a wide geographical spread.

The future for TrueNoord looks like more of the same disciplined and steady growth, but with a laser like focus on serving our regional customers. There will be upheavals in short term asset values but in the medium term, I believe asset prices will stabilise and lease rate factors improve as the risk of owning aircraft gets appropriately compensated.

It remains my pleasure to sincerely thank all members of the TrueNoord team who have been simply outstanding and also to acknowledge again our supportive shareholders. Despite the headwinds of the final months, 2019/20 was a successful year. 2020/21 will be a challenging and interesting time.

Nigel Turner
Chairman

Key financial highlights

Indicator	2020	2019
Revenue (total)	$97.0m	$66.2m
Revenue (operating lease income)	$95.5m	$65.4m
EBITDA	$86.6m	$54.5m
EBIT	$49.9m	$28.5m
EBT	$21.3m	$7.2m
Total assets	$1,030.3m	$825.0m
Aircraft carrying value	$876.2m	$687.6m
Total debt	$571.4m	$465.3m
Total debt / Total assets	0.55	0.56
Total debt / EBITDA	6.60	8.54

2020 2019

Figures as per 31st March 2020 Audited financials, before non-cash mark to market loss on interest rate swap.

Figures compared with last financial year: Up Down

CEO's statement

Although there is no intention to ignore the unprecedented effects of the ongoing COVID-19 crisis on our industry, the financial impact was not felt in this reporting year. However, its onset did become clear during the last quarter so that TrueNoord was able to plan for the impact towards the year end and thereby mitigate, to the extent possible, the initial negative effects on our investors, lenders and customers.

Nevertheless, it is a testament to the success of the TrueNoord team that revenue grew by 47% to US$97 million and profit after tax, before unrealised foreign exchange and fair value movements on interest rate derivatives, increased to US$19.7m from US$8m in the previous year.

During most of the year, TrueNoord's principal focus continued to be the growth of our portfolio in a highly selective manner. Another fifteen aircraft were added by the year end, another shortly thereafter, and a single CRJ200 was sold upon its scheduled return from Air Nostrum, increasing our fleet to 47 aircraft. This included an additional pair of factory-new ATR72-600s delivered to US-Bangla and our first de Havilland Canada Dash 8-400s for Philippine Airlines.

In addition, TrueNoord continued its strategy of acquiring new or young in-production aircraft. In Europe, we acquired three additional E190s with leases attached to Finnair. This year also marked our first entry into the North American market. US-based capacity provider airline fleets for the legacy carriers are dominated by regional jets up to a dual class capacity of 76 seats so that the smaller E-jets that we acquired represent optimal capability. We have now reached a scale where we are able to meet the needs of large regionals like Republic Airways through the leasing of six aircraft without creating excess concentration in our portfolio.

This was also the first year that we successfully arranged the transition of an aircraft within our existing ATR72-600 portfolio from one existing lessee to a new customer. With this transaction, we were able to facilitate Air France HOP!'s strategic decision to dispose of its ATR fleet.

To fund these acquisitions, TrueNoord initially deployed committed equity and our first warehouse facility with Morgan Stanley, Norddeutsche Landesbank, Barclays and ABSA Bank. We also arranged a bespoke facility with Erste Bank for the six E170s for Republic Airways.

With the continued growth of the portfolio, TrueNoord also sought to expand the size and diversity of our funding sources during the financial year to ensure sufficient resources for future growth over the coming years. Our professional team were able to secure additional debt with a new second warehouse facility provided by Citibank, Société Générale and Royal Bank of Canada for US$360m. This additional debt capacity enables our ongoing controlled growth trajectory throughout the next financial year and has already been deployed to finance post year-end deliveries.

Besides the continued growth of our portfolio and funding sources, we have also strengthened and consolidated the TrueNoord team and the associated structures. In order to maximise the efficiency of our human capital we focused on our organisational structure and business processes to both manage our growth and establish the teams needed to respond to the current crisis that we could foresee in the final quarter. To that end, we recruited incremental staff with the necessary financial and contract backgrounds along with a human resources specialist. We also expanded our Dublin office team and converted our Singapore representative office to a branch.

For most of the financial year the environmental impact of air travel growth continued to become more important across the whole aviation industry. In the mature North American and European markets, aviation accounts for above 3% of greenhouse gas (GHG) emissions and about 2-2.5% globally. Regional aviation accounts for less than 10% of the industry's emissions. On a journey between any two cities of 500km (where road transport and air travel can compete), the fuel consumption per 100km by an efficient modern turboprop typical to TrueNoord's fleet and assuming a load factor of around 75%, would require an average of 2.5 passengers in a typical mid-size car to achieve the same fuel-burn per passenger. So, while our industry has already made above average progress, we fully accept that given the predicted growth of air travel, much more needs to be done. Moreover, both public opinion and legislators will also accelerate this process.

We are committed to reduce GHG emissions, assisting our customers to adopt the most environmentally sustainable aircraft for their respective networks. This is driven by fuel efficiency per trip and seat. The majority of the turboprop and regional jet aircraft in our portfolio provide best-in-class fuel efficiency for the capacity that is needed.

In a broader environmental and social governance (ESG) context, we increasingly see our own and fellow industry stakeholders adopting enhanced guidelines. At TrueNoord this is demonstrated by our focus on young and new aircraft exploiting the most efficient technologies. These regional jets and turboprops support critical short-haul and domestic infrastructures serving people across diverse geographical terrains where other modes of transport range from non-existent to slow and unreliable. In the current COVID-19 induced climate, a number of our aircraft have been deployed for repatriation and essential cargo operations to isolated locations. We will continue to promote both the social and economic benefits of regional air transport particularly in remote areas.

Towards the close of the financial year the COVID-19 pandemic began to dramatically impact our industry, primarily in Asia. Given the otherwise highly beneficial economic, cultural and political global connectivity provided by air transport, we could not see how the rest of the world could insulate itself from the fact that this same 'connectivity' would also play a role in spreading a pandemic. However, by the time the pandemic took hold in Europe, early signals of domestic air travel recovery were already visible in China. Since domestic and short-haul traffic is the sector where regional aircraft operate, this was the first encouraging signal. TrueNoord's short-term response was formed against this backdrop.

To secure our long-term position, TrueNoord will manage the effects of the COVID-19 pandemic on our portfolio to protect revenue and help our customers to the best of our ability. We still expect growth in our fleet during the coming year, but at a more modest and selective pace compared to previous years.

Anne-Bart Tieleman
CEO

Our people

2019-2020 has seen the TrueNoord team come together as one – professional, committed and focused.

To prepare ourselves for future opportunities and challenges, our strategy was to limit new hires to the minimum so that the existing workforce of experienced and knowledgeable people could crystallise and learn from each other's strengths. We now have a cohesive unit bonded by mutual trust and respected by customers and investors alike.

We also reinforced our global footprint. Our representative office in Singapore became a fully operational branch of TrueNoord dedicated to providing support for our growing customer base throughout Asia. The team in our Dublin office expanded its on-site analytical capabilities alongside its primary responsibility for our European customer base.

Management

Nigel Turner
Chairman (Non-Executive)

Anne-Bart Tieleman
Chief Executive Officer

Julien Millet
Chief Financial Officer

Richard Jacobs
Chief Commercial Officer

Joram Lietaert Peerbolte
General Counsel & COO

Team

Abhineet Awasthi
Transaction Manager

Angus von Schoenberg
Investment Strategy

Arie Landwaart
Head of Administration

Bas Gerritsen
Technical Manager

Caroline van der Meij
Office Manager

Carst Lindeboom
Sales Director Asia Pacific

Daniel Vasile
Technical Manager

Declan Fitzpatrick
Director (TrueNoord Ireland)

Enrique Wilson-Rae
Legal Counsel

Falcon Miao
Accounting Officer

Garry Topp
Sales Director

Hugh Treharne
Senior Legal Counsel

Jack Bos
Technical Director

Juan Diego Escartín
Contract Manager

Kavita Jairam
Accounting & Control Officer

Lenika Souri
Senior Legal Counsel

Maarten Grift
Sales Support

Michael Adams
Sales Director Europe

Richard Wright
Financial Controller

Sibert van Leeuwen
Sales Director

Sushal Chopra
HR Consultant

Willy Smit
Accounting Officer

Financial statements

TrueNoord Fleet

US-Bangla
3 ATR 72-600

Company Information

Directors	Rayhan Robin Roy Davis Adam Michael McLain Anne-Bart Tieleman Julien Marc Alfred Millet Nigel Owen Turner
Registered office	Michelin House 3rd Floor 81 Fulham Road London SW3 6RD United Kingdom
Independent Auditor	Grant Thornton Chartered Accountants & Statutory Auditors 13-18 City Quay Dublin 2 Ireland
Bankers	HSBC 165 Fleet Street London EC4A 2DY United Kingdom
	Norddeutsche Landesbank (Girozentrale) 1 Wood Street London EC2V 7WT United Kingdom
	DVB (Bank SE) Schiphol Boulevard 255 1118 BH Schiphol The Netherlands
	ING Groep Po Box 1800 1000 BV Amsterdam The Netherlands
	Bank of America Corporation 109 South Tyron Street Charlotte NC 29210 United States of America
	Citibank Canada Square London E14 5LB United Kingdom

Please note: The financial information in this report is extracted from the Group's full financial statements.

Strategic Report

Principal activity

TrueNoord Limited ("the Company") is a private company limited by shares incorporated in the United Kingdom. The principal activity of the Company is as a specialised regional aircraft lessor to commercial airlines.

These consolidated financial statements for the financial period ended 31 March 2020 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as "the Group").

The Directors are satisfied with the performance of the business in the financial year ended 31 March 2020, in terms of both growth and profitability from operating activities, and expect the Group to continue to acquire and lease aircraft in the forthcoming year.

Business review

The Directors recognise that the future success of the business is dependent on securing profitable leases, remaining profitable and effectively managing commercial and financial risks. The Directors have assessed these risks and have taken measures to manage them. Further details are provided under principal risks and uncertainties. The Group has available funding from existing loan facilities, and equity financing is available to support the growth of the Company and Group and cover potential working capital requirements. For the year ended 31 March 2020, revenue increased as a result of an additional 15 aircraft leased during the year. The COVID-19 pandemic did not have a significant impact on operations during the financial year as all leases were performing without default as at 31 March 2020. As at 31 March 2020, the Group owned 47 (2019: 33) aircraft, which were all on lease, and has reached agreement for one additional delivery which took place in April 2020. In addition, as at 31 March 2020, the Group has a significant amount of committed capital available to continue to expand its current fleet.

Going concern

Prior to the year end, the outbreak of the COVID-19 virus resulted in a reduction in global travel which may impact the activities of the Company and Group as a lessor to airlines. The Group has received deferral and rent waiver requests from some of its airline customers. However, in most instances, no formal agreement on these requests had yet been concluded. It is therefore not possible to estimate the financial effect that these arrangements, if concluded, may have on the Company and Group's financial results or position. The Directors can confirm that, subsequent to the year end, the Group has continued to collect the majority of its receivables and that a number of lessees have withdrawn initial deferral requests. The Directors note that some customers are struggling or unable to pay their rent as it falls due given the impact of COVID-19 on their business.

The Directors recognise the uncertainty that exists around the possible future impact of COVID-19 on the Company and Group, its customers and the airline industry as a whole. The Directors have considered the adequacy of the Company and Group funding, borrowing facilities, cash flows and profitability for at least the next twelve months from the date of approval of these financial statements. As at the date of signing of these financial statements, there are sufficient cash flows projected for the next twelve months to enable the Company and Group to repay its debts as they fall due. The sufficiency of financial resources available to the Company and Group are dependent upon continued access to existing credit facilities and availability of equity funding. The directors believe that the Company and Group have sufficient financial resources, including shareholders' continued support and commitment to the financial stability of the Group, together with long-term airline lease contracts. On this basis, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Please note: The financial information in this report is extracted from the Group's full financial statements.

Key financial performance indicators

Revenue, profit after tax (before gains/(losses) on unrealised foreign exchange and fair value movements on interest rate swaps), total loans and borrowings, and non-current assets are key indicators of the performance of the Group. (See page 11)

Principal risks and uncertainties

Asset values

Aircraft and engines are subject to value fluctuations driven by market supply and demand which will have an impact on the assets of the Group. If demand for aircraft and engines decreases, market lease rates may fall. Should this condition continue for an extended period, it could affect the market value of the aircraft and engines and may result in an impairment charge.

Exposure to the commercial airline industry

As a supplier to the airline industry, the Group is exposed to the financial condition of the airline industry as it leases all of its aircraft to commercial airlines. The financial condition of the airline industry is affected by, among other things, geopolitical events, outbreaks of communicable pandemic diseases, natural disasters, fuel costs and the demand for air travel. To the extent that any of these factors adversely affect the airline industry they may result in (i) downward pressure on lease rates and aircraft values, (ii) higher incidences of lessee defaults, restructuring and repossessions and (iii) inability to lease aircraft on commercially acceptable terms.

The outbreak of the COVID-19 virus during the year has resulted in a reduction in global travel which may impact the activities of the Company and Group as a lessor to airlines. The Directors recognise the uncertainty that exists around the possible future impact of COVID-19 on the Company and Group, its customers, and the airline industry as a whole. The Company continues to work closely with its airline customers and to monitor the impact of the virus on the activities of the Company and Group to ensure appropriate measures are put in place to reduce and mitigate exposure to economic risks.

Brexit

On 31 January 2020, the United Kingdom (UK) left the European Union (EU). The UK government is continuing to negotiate foreign trade deals, although it is unknown what those terms will be.

At the date of signing these Consolidated financial statements, the Directors do not foresee any immediate Brexit related risks, however, they acknowledge the uncertainty that now exists. The Directors will continue to keep this under review.

Leasing of aircraft

In order to continue to generate profits and cash flows, the Group, as an owner and lessor of aircraft, must address risks associated with (i) the releasing of aircraft subject to market and competitive conditions at lease end dates, (ii) funding and performance of maintenance activities, (iii) government and environment regulations relating to aircraft and their operation, and (iv) ongoing risks relating to finance and ownership of aircraft. Improper management of any of these risks could adversely affect the financial performance, position and growth potential of the Group.

Exposure to credit and liquidity cashflow risks

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's lease receivables from customers.

The aircraft and engines are leased by the Group to airlines worldwide. The airline industry is cyclical, economically sensitive and highly competitive. A key determinant of the Group's success is the financial strength of its lessees and their ability to react to and cope with the competitive environment in which they operate. If a lessee airline experiences financial difficulties this may result in a default and the early termination of the lease. The Directors mitigate this risk through comprehensive credit reviews of potential customers prior to entering into a new lease and on-going credit monitoring of customer airlines during the course of the leases. Where appropriate, the Group also collects maintenance reserves and security deposits from its lessees.

Some lessee airlines have experienced financial difficulties resulting from the COVID-19 pandemic. This resulted in a number of lessees making requests for rent deferrals. On-going credit monitoring and negotiations with customer airlines during and post year end has enabled the Group to stabilise rent collections rates to an acceptable level and at a rate in excess of Group competitors in the marketplace.

Liquidity risk

The Group's aircraft are financed primarily by debt from third parties, borrowings from related parties, capital contributions, and the Group therefore, has commitments to repay interest and principal. The Group is dependent upon the ongoing receipt of operating lease revenues in order to meet these debt service obligations. The Group's cash flow risk in respect of suppliers and service providers is also minimal as the Group aims to pay service providers in accordance with the stated terms.

Future Developments

For the financial year 2020/2021, the Group expects to continue expanding its fleet and leasing activities.

On 11 March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. The Group has considered the possible effects of the current coronavirus crisis on its business. The Group's business is driven by demand for regional air travel. The ultimate disruption which may be caused by the outbreak is uncertain. The Directors, however, recognise the uncertainty that exists around the possible future impact of COVID-19 on the Company and Group, its customers and the airline industry as a whole and continue to monitor the impact of the virus on the activities of the Company and Group.

On behalf of the Board on 31 July 2020.

Anne-Bart Tieleman, Director

TrueNoord Fleet

Philippine Airlines
2 Dash 8-400

Consolidated statement of comprehensive income

For the year ended 31 March

	2020 US$	2019 US$
Revenue	**97,004,683**	66,216,664
Expenses		
Administrative expense	**(10,740,575)**	(11,777,680)
Depreciation expense	**(34,060,037)**	(23,379,508)
Profit from operating activities	**52,204,071**	31,059,476
Finance income/(expense)		
Interest income	**96,513**	16,528
Interest expense	**(28,686,792)**	(21,319,631)
Amortisation of debt issuance costs	**(2,659,629)**	(2,584,995)
Fair value loss on derivative financial instrument	**(20,699,659)**	(8,514,702)
Profit/(loss) before tax	**254,504**	(1,343,324)
Taxation (charge)/benefit	**(1,295,340)**	806,787
Profit/(loss) for the financial year	**(1,040,836)**	(536,537)
Other comprehensive income for the financial year		
Exchange differences on translation of foreign operations	**359,368**	547,144
Total comprehensive profit/(loss) for the financial year	**(681,468)**	10,607
Profit/(loss) for the financial year attributable to:		
Non-controlling interests	**378,578**	223,989
Owners of the parent	**(1,419,414)**	(760,526)
	(1,040,836)	(536,537)
Total comprehensive profit/(loss) for the financial year attributable to:		
Non-controlling interests	**368,185**	236,222
Owners of the parent	**(1,049,653)**	(225,615)
	(681,468)	10,607

Please note: The financial information in this report is extracted from the Group's full financial statements.

Consolidated statement of financial position

As at 31 March

	2020 **US$**	2019 US$
Non-current assets		
Maintenance assets	**64,616,485**	62,089,106
Goodwill	**11,461,910**	11,461,910
Property, plant and equipment	**816,708,528**	628,758,114
End of lease receivable	**67,217,722**	83,842,836
Deferred tax asset	**3,652,363**	4,634,222
Total non-current assets	**963,657,008**	790,786,188
Current assets		
End of lease receivables	**23,581,203**	-
Cash and cash equivalents	**31,535,410**	28,694,624
Trade and other receivables	**11,583,027**	5,557,098
Total current assets	**66,699,640**	34,251,722
Total assets	**1,030,356,648**	825,037,910
Equity		
Share capital	**510,481**	474,275
Share premium	**291,213,278**	228,850,154
Translation reserve	**2,095,997**	1,736,629
Accumulated losses	**(4,202,943)**	(2,778,261)
Non-controlling interests	**698,759**	330,574
Total equity	**290,315,572**	228,613,371
Non-current liabilities		
Security deposits	**7,857,701**	8,855,119
Maintenance reserves	**26,921,839**	19,598,151
Loans and borrowings	**400,492,828**	412,358,737
Lease liabilities	**563,477**	-
Deferred end of lease income	**67,217,722**	83,323,874
Derivative financial liability	**29,214,361**	8,514,702
Total non-current liabilities	**532,267,928**	532,650,583

Please note: The financial information in this report is extracted from the Group's full financial statements.

	2020	2019
	US$	US$
Current liabilities		
Lease liabilities	**272,379**	–
Deferred end of lease income	**23,581,203**	–
Loans and borrowings	**162,095,461**	46,464,622
Trade and other payables	**16,667,856**	14,268,167
Corporation tax liability	**402,476**	44,435
Maintenance reserves	**1,818,141**	2,796,732
Security deposits	**2,935,632**	200,000
Total current liabilities	**207,773,148**	63,773,956
Total liabilities	**740,041,076**	596,424,539
Total equity and liabilities	**1,030,356,648**	825,037,910

These financial statements were approved by the Board of Directors on 31 July 2020 and were signed on its behalf by:

Anne-Bart Tieleman, Director

Consolidated statement of cash flows

For the year ended 31 March

	2020 US$	2019 US$
Profit/(loss) before tax	**254,504**	(1,343,324)
Adjustments for:		
Movement in working capital	**(3,694,371)**	3,313,380
Movement in maintenance reserves	**6,345,097**	1,496,520
Movement in deferred end of lease compensation	**518,962**	(518,962)
Write off of debt issuance cost	**-**	1,736,016
Gain on sale of fixed assets	**(500,000)**	-
Amortisation of debt issuance cost	**2,659,629**	2,584,995
Depreciation expense	**34,060,037**	23,379,508
Interest expense	**28,686,792**	21,319,631
Interest income	**(96,513)**	(16,528)
Income taxes paid	**(15,134)**	(183,450)
Foreign exchange	**419,062**	547,144
Fair value movement on interest rate swap	**20,699,659**	8,514,702
Net cash from operations	**89,337,724**	60,829,632
Cash flows from investing activities		
Movement in security deposits	**1,738,214**	-
Interest received	**96,513**	16,528
Net addition of fixed assets	**(223,010,451)**	(225,501,198)
Proceeds from disposals of fixed assets	**1,500,000**	-
Addition of maintenance assets	**(2,527,379)**	(23,885,392)
Net cash used in investing activities	**(222,203,103)**	(249,370,062)
Cash flows from financing activities		
Interest paid	**(27,798,466)**	(18,159,595)
Proceeds from issue of share capital	**36,206**	43,637
Proceeds from issue of share premium	**62,363,124**	73,819,529
Debt issuance cost paid	**(5,011,012)**	(6,626,466)
Receipt of loan borrowings	**162,114,007**	360,738,870
Repayment of loan borrowings	**(55,997,694)**	(201,258,075)
Net cash provided by financing activities	**135,706,165**	208,557,900
Net increase in cash and cash equivalents	**2,840,786**	20,017,470
Opening cash and cash equivalents	**28,694,624**	8,677,154
Cash and cash equivalents at end of financial year	**31,535,410**	28,694,624

Please note: The financial information in this report is extracted from the Group's full financial statements.

TrueNoord Fleet

BA Cityflyer
1 Embraer E190

TrueNoord
Regional Aircraft Leasing

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