



# International Registry of Interests in Aircraft Equipment

Fourteenth Annual Report of the  
Registrar to the Supervisory Authority  
1 January 2019 – 31 December 2019

October 2020

## TABLE OF CONTENTS

INTRODUCTION .....	2
NOTES TO THE REPORT .....	3
REVIEW OF THE REGISTRY .....	4
SOURCES OF REVENUE.....	9
SUMMARY OF REGISTRY ACTIVITY LEVELS .....	10
REGISTRATIONS BY REGISTRATION TYPE.....	22
APPROVED ENTITIES BY COUNTRY .....	23
SYSTEM AVAILABILITY .....	24
ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DEC 2019 .....	25

## INTRODUCTION

The International Registry of Interests in Aircraft Equipment (“the Registry”) was established pursuant to the provisions of the Cape Town Convention and Aircraft Protocol.<sup>1</sup>

The International Civil Aviation Organization (“ICAO”) is the Supervisory Authority of the Registry<sup>2</sup> and Aviareto Limited is the Registrar of the Registry<sup>3</sup>.

Sections 10 and 11 of the Regulations for the Registry<sup>4</sup> (“the Regulations”) require the Registrar to maintain and publish statistics on the operation of the Registry and to submit an annual report to the Supervisory Authority.

Article 8.3.1 of the contract between the Supervisory Authority and Aviareto Limited<sup>3</sup> (“the Contract”) provides that the Registrar shall furnish the Supervisory Authority with its annual financial statements. The Registrar may also include recommendations for changes to the Regulations or the fee structure of the Registry in the annual report; the Registrar is making no recommendations in either regard in this report.

This report is submitted to the Supervisory Authority in fulfilment of the requirements of Sections 10 and 11 of the Regulations and of Article 8.3.1 of the Contract. An abbreviated version of the report will be posted on the Registry website to meet the requirements of Section 10.

Rob Cowan  
Managing Director  
Aviareto Limited  
Registrar of the International Registry of Interests in Aircraft Equipment

October 2020

---

<sup>1</sup> *Convention on International Interests in Mobile Equipment* (ICAO Doc 9793) and *Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Aircraft Equipment* (ICAO Doc 9794), both signed at Cape Town on 16 November 2001.

<sup>2</sup> Pursuant to Resolution No. 2 adopted by the Cape Town Diplomatic Conference on 16 November 2001.

<sup>3</sup> *Contract for the Operation of the International Registry for International Interests in Mobile Equipment (Aircraft Equipment)* between ICAO and Aviareto Limited, dated 1 March 2016.

<sup>4</sup> *Regulations and Procedures for the International Registry* (ICAO Doc 9864 –Eighth Edition - 2019).

## NOTES TO THE REPORT

1. The **fee categories** used for segmenting events and revenues in this report are set out in Table 1 of the Fee Schedule Appendix to the Procedures. The fee categories are:
  - Controlled entity set-up fee (1 year)
  - User set-up fee (1 year)
  - Registration fee
  - Replacement administrator fee
  - Entity name change fee
  - Spare engine fee
  - Priority search fee
  - Priority search machine-readable format fee
  - Lost certificate fee
2. The **registration types** used in this report are:<sup>5</sup>
  - International interest
  - Prospective international interest
  - Assignment of an international interest
  - Prospective assignment of an international interest
  - Sale
  - Prospective sale
  - Subordination<sup>6</sup>
  - International interest acquired through subrogation
  - Registrable non-consensual right or interest
  - Assignment of a registrable non-consensual right or interest
  - Pre-existing right or interest
  - Notice of a national interest
  - Transfer of a right to consent to the discharge of a registration
3. The **revenues** set out in this report (other than in the statutory accounts) are based on the payment received at the time of each transaction. In the statutory accounts revenues received in respect of user set-up and renewal fees are recognized in equal monthly amounts over the life of the licence purchased (that is, over 12 months).
4. The data in this report have been extracted from the logs of the Registry and the Registry database and all monetary amounts are in US\$.

---

<sup>5</sup> Registration types may be created, amended or discharged, as appropriate.

<sup>6</sup> The term "Subordination" as used in this report covers subordination of an international interest, a prospective international interest, a national interest and a registrable non-consensual right or interest.

## REVIEW OF THE REGISTRY

### Cape Town Convention and Aircraft Protocol

As of 31 December 2019, there were 77 Parties to the Cape Town Convention and Aircraft Protocol, as follows:

Afghanistan	Malta
Albania	Mexico
Angola	Mongolia
Argentina	Mozambique
Australia	Myanmar
Bahrain	Namibia
Bangladesh	Netherlands, Kingdom of the <sup>7</sup>
Belarus	New Zealand
Bhutan	Nigeria
Brazil	Norway
Burkina Faso	Oman
Cabo Verde	Pakistan
Cameroon	Panama
Canada	Paraguay (effective 1 April)
China	Republic of Moldova (effective 1 June)
Colombia	Romania
Congo	Russian Federation
Costa Rica	Rwanda
Côte d'Ivoire	San Marino
Cuba	Saudi Arabia
Democratic Republic of the Congo	Senegal
Denmark	Sierra Leone
Egypt	Singapore
Eswatini	South Africa
Ethiopia	Spain
European Union	Sweden
Fiji	Tajikistan
Gabon	Togo
Ghana (effective 1 April)	Turkey
India	Ukraine
Indonesia	United Arab Emirates
Ireland	United Kingdom
Jordan	United Republic of Tanzania
Kazakhstan	United States
Kenya	Uzbekistan
Kuwait	Viet Nam
Latvia	
Luxembourg	
Madagascar	
Malawi	
Malaysia	

---

<sup>7</sup> For Aruba, Curaçao, Sint Maarten and the Caribbean part of the Netherlands (the islands of Bonaire, Sint Eustatius and Saba).

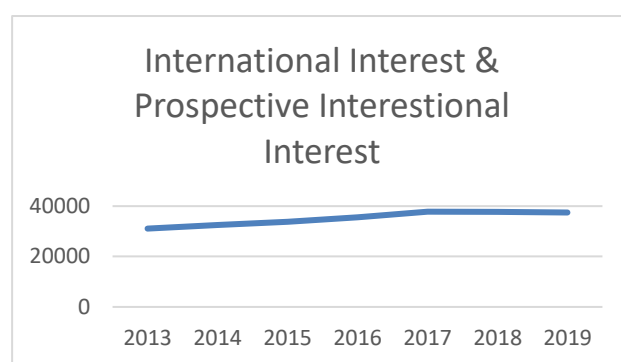
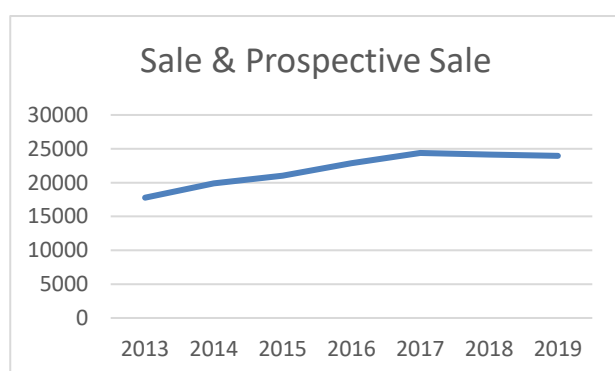
## Activity levels

Growth was relatively flat in all areas of activity, applications, searches and registrations, in 2019. Registrations increased by 2 % to 138,834 from 136,020 the previous year. This was the highest number of registrations recorded since go-live in 2006. Registrations were affected against 38,185 unique objects.

The number of priority search certificates issued increased by 4.6% from 118,939 in 2018 to 124,464 in 2019. The revenue generated by searches was \$2,738,698.

The total number of registrations 'created'<sup>8</sup> fell by 1.94% and the number of registrations discharged grew by 8.7% in 2019. This is consistent with the trend identified in 2018 where registrations created fell and registrations discharged increased.

Sales and prospective sales combined, have also fallen in 2019 by 0.78%. Again, this is consistent with a trend identified in 2018. The combined figures for international interests and prospective international interests for 2019 also show signs of flattening against the 2018 figures.



The registration of notices of national interests dropped from 74 in 2018 to 10 in 2019. The registrations in 2018 were made by the same party. The number of subordinations created increased this year by 23.72% from 1,749 to 2,164 after a drop in 2018.

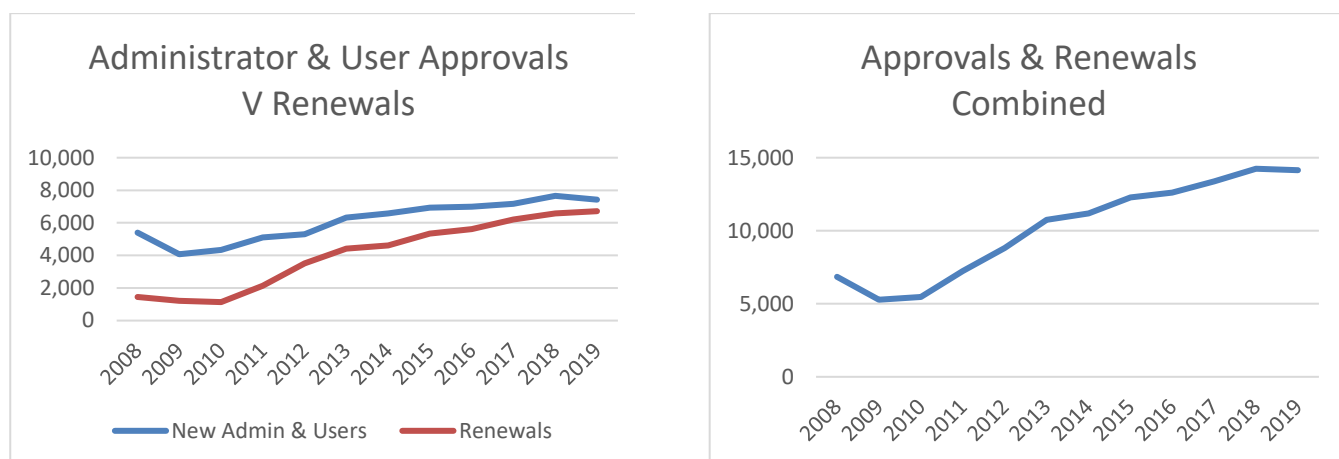
The changes in activity levels against the previous year are noted in the table below.

Number of objects against which interests were registered:	+1.96%
Number of registrations effected:	+2.00%
Number of priority search certificates issued:	+4.60%

<sup>8</sup> Registrations 'created' are those new registrations effected on the Registry of the registration types listed in Table 5 on page 23, which are not Amendments, Discharges or Transfers of a right to consent to the discharge of a registration.

## Administrators and users

The total number of new administrators and users fell in 2019 by 3.12% to 7,418 compared with 7,657 in 2018. This is the first year, since 2009, that new administrator and user approvals fell. However, the licence renewals grew by 1.97% to 6,716 in 2019 from 6,586 in 2018. Renewals have been making a steady increase year on year as would be expected. Upon combining the new administrators, users and renewals for 2019 and comparing them against previous years, it would appear there is a flattening in user accounts in 2019.



The number of controlled entities created also increased by 2.91% from 206 in 2018 to 212 in 2019. The number of controlled entity renewals increased slightly by 1.27% from 861 in 2018 to 872 in 2019.

Number of new administrators and users approved	-3.12%
Number of controlled entities created	+2.91%
Number of licences renewed	+1.97%
Number of controlled entities renewed	+1.27%

The overall revenue (on a cash basis) for user account type transactions was \$3,042,980 broken down as follows:

User Set Up	Controlled Entity Set Up	Replacement Administrator	Lost Certificates	Entity Name Changes	Licence Renewals	Controlled Entity Renewals
\$1,439,800	\$38,160	\$10,950	\$7,110	\$46,800	\$1,343,200	\$156,960

## Manufacturer Serial Numbers

By the end of the year, 57 manufacturers were regularly supplying the Registry with updates of the manufacturer serial numbers (MSNs) of airframes, helicopters and engines. As a result, approximately 385,500 MSNs are now stored on the Registry system. This information is electronically supplied to registering users. The use of such information, where supplied, is mandatory under Section 5.1 of the Regulations.

The cooperation of manufacturers in supplying this information to the Registry was arranged through the Aviation Working Group.

### **Registry availability<sup>9</sup>**

The availability achieved in 2019 was 99.76% compared to 99.79% in 2018.

Registry Availability										
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
99.32%	98.6%	99.73%	98.82%	98.71%	99.25%	99.89%	99.61%	98.91%	99.79%	99.76%

### **Improvements to the Registry system**

In October 2019 the Eighth Edition of the Regulations and Procedures was published which brought about a number of enhancements on the Registry system. Firstly, a new guest user account type was created, offering search history and payment history to guest users. Searching on the Registry system was also enhanced with a summary table now being provided at the end of the priority search certificate containing supplemental information. Users can also now avail of the option to download their priority search certificate in a new machine-readable format for an additional fee of \$10. Between 1 October and 31 December 2019, 49 searches have been performed using this new format.

### **Registry system security**

During 2019, there were 14 individual security reviews and tests of the IR system, IR application software and the corporate IT environment conducted by Deloitte. Risks were identified, evaluated and categorised. Risks were treated according to the Registrar's risk management framework. Management is satisfied that the issues found have been dealt with appropriately and cause no significant risk to the business.

### **Liability insurance**

Errors and omissions insurance cover remains at \$200 million.

### **Complaints**

Section 8 of the Regulations and Section 14 of the Procedures make provision for complaints about the operation of the Registry. There is also provision for dissatisfied complainants with respect to the operation of the Registry to have recourse to the Supervisory Authority.

The Eighth Edition added provisions to allow for complaints from persons adversely affected by unilateral registrations.

---

<sup>9</sup> Registry availability is the percentage of time the International Registry was available to registry users and guests during the year.



There were no official complaints received by the Registrar in 2019.

### **Liaison with the user community**

The Registrar continued to maintain close contact with the user community and conducted its customary annual survey of customer opinion during the second half of the year. Feedback from the user community and the outcome of the survey are important in the shaping of the programme for the Registry's future development. The overall weighted Registry user experience achieved a composite score of 8.66 (out of 10) in 2019, an increase from 8.62 in 2018.

The Registrar took part in several Cape Town Convention and related seminars, including in Fort Myers (March), Rome (April), Paris (May), Brasilia (June), Seattle (August), Oxford (September), New York (October), Hong Kong (November) and Pretoria (November).

The International Registry Advisory Board continued to provide advice to the Registrar and to contribute substantially to the development of policy and practice. It also acted as a valuable channel for user and industry feedback.

### **Tax free status**

The concession granted by the Irish Revenue Commissioners to the Registrar exempting corporation tax in respect of its operation of the Registry was renewed for 2019.

### **International Standards Organisation (ISO)**

The Registrar achieved a successful surveillance audit to Standard ISO 9001:2015<sup>10</sup>. This was with the National Standards Authority of Ireland. Successful surveillance audits were also carried out by the British Standards Institute on Standards ISO 27001:2013<sup>11</sup> and ISO 22301:2012<sup>12</sup>.

### **Financial performance of the Registrar**

The statutory accounts of the Registrar for 2019 as filed with the Irish Companies Registration Office are included in this report.

The Registrar had a surplus of \$532,212 of income over expenditure in 2019 (\$968,830 in 2018) enabling it to achieve a shareholders' surplus of \$9,205,849 (\$8,673,637 in 2018) comprising \$8,965,814 of retained earnings and \$240,035 of called-up share capital. In the course of the year, capital expenditure on the system of \$1,482,918 was incurred. At year end the Registrar had deferred revenue obligations to its users of \$1,405,600 (\$1,408,643 in 2018).

### **Cases brought under Article 44 of the Cape Town Convention**

Under Article 44 (1) of the Cape Town Convention, "[t]he courts of the place in which the Registrar has its centre of administration shall have exclusive jurisdiction to award damages or make orders against the Registrar".

---

<sup>10</sup> ISO Quality Management Systems

<sup>11</sup> ISO Information Security Management Systems

<sup>12</sup> ISO Business Continuity Management Systems

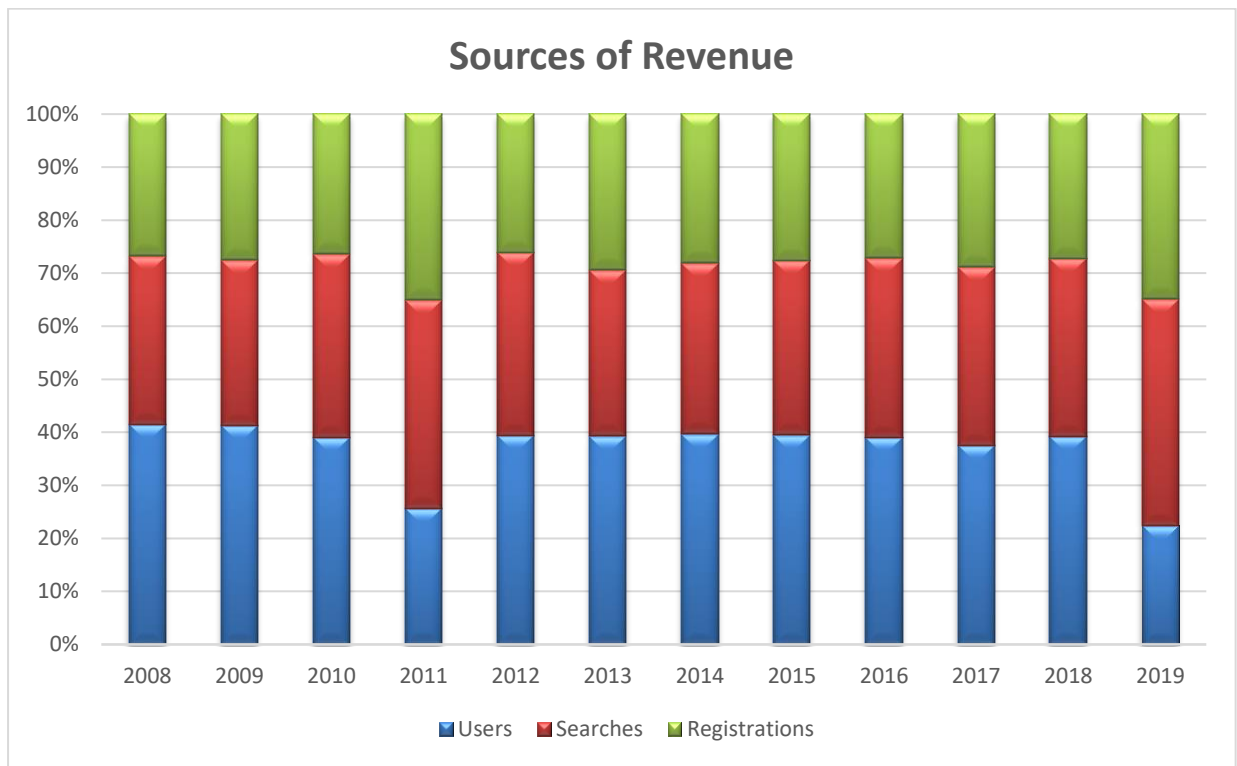
As the Registrar is located in Ireland, the Irish High Court has exclusive jurisdiction to award damages and make orders against the Registrar. The relevant Irish legislation is the *International Interests in Mobile Equipment (Cape Town Convention) Act 2005* with procedural matters set out in Order 81A of the *Rules of the Superior Courts*, S.I. No. 31 of 2008.

In 2019 one case was decided before the High Court in Ireland. The Registrar was a named Respondent in the proceedings as prescribed by the Rules of the Superior Courts.

This case proceeded under Article 44 of the Convention. It related to a number of registrable non-consensual rights or interests registered on the International Registry. The applicant brought proceedings seeking to have the registrations discharged by the registering party. The Court ordered the registering party to effect the discharges failing which the Registrar was to effect the discharges. The Order was not complied with by the registering party and the Registrar duly effected the discharges of the registrations.

# SOURCES OF REVENUE

Table 1 - Division of the Registrar’s cash income from three main categories: Users, Registrations and Searches<sup>13</sup>



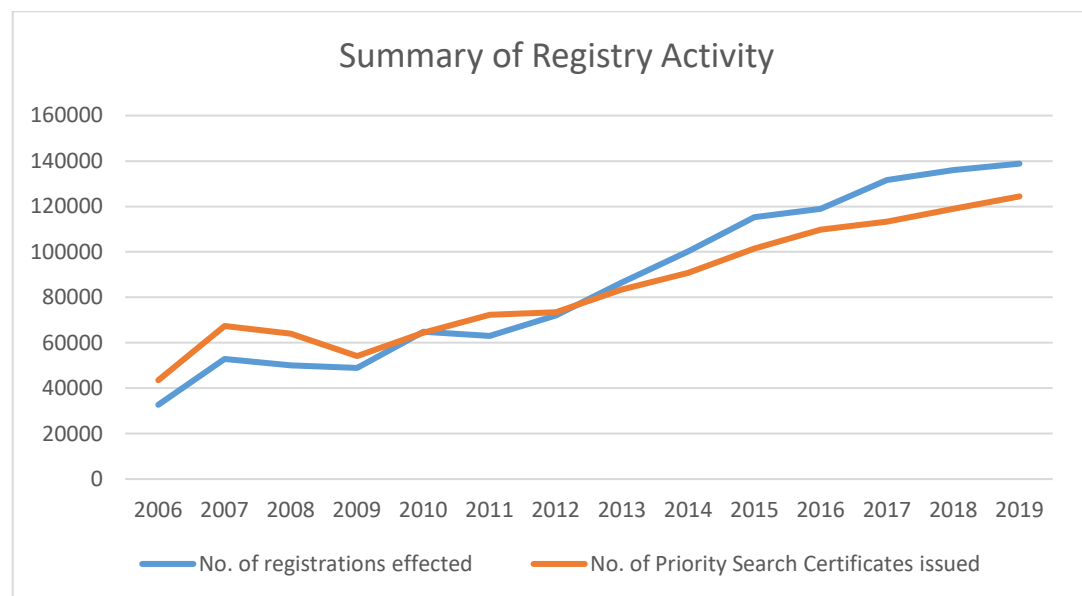
<sup>13</sup> All Fee Categories as outlined in Table 1 of the Fee Schedule Appendix to the Procedures are represented in this table. ‘Registrations’ is the sum of all revenue generated from registration fees and spare engine fees. ‘Users’ is the sum of all revenue generated from controlled entity set-up and renewal fees, user set-up and renewal fees, replacement administrator fees, entity name change fees and lost certificate fees. ‘Searches’ is the sum of all revenue generated from priority search fees and priority search machine-readable format fees.

## SUMMARY OF REGISTRY ACTIVITY LEVELS

**Table 2 – Summary of Registry activity levels since 2008**

Activity	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
No. of objects against which interests were registered	21,578	18,865	22,012	24,862	24,948	28,152	29,461	31,949	33,491	36,129	37,449	38,185
No. of registrations effected*	50,060	48,903	64,829	63,060	72,034	86,612	100,188	115,255	118,940	131,562	136,020	138,834
No. of new administrators and users approved	5,402	4,073	4,340	5,100	5,310	6,325	6,570	6,939	6,993	7,166	7,657	7,418
No. of licence renewals	1,441	1,204	1,135	2,142	3,505	4,411	4,610	5,338	5,615	6,214	6,586	6,716
No. of Priority Search Certificates issued	63,974	54,169	64,404	72,253	73,406	83,412	90,788	101,475	109,730	113,276	118,939	124,464

*\* This figure is the total number of registrations effected and, from 2012, includes transfers of a right to consent to the discharge of a registration.*



**Table 3 - Transaction Volumes by type and country in 2019**

Country	Account Type Transactions							Registration Transactions		Searches Search Certificates <sup>16</sup>
	User Set-up	Controlled Entity Set-up	Replacement Administrator	Lost Certificates	Entity Name Change	Licence Renewals	Controlled Entity Renewals	By State of Registry <sup>14</sup>	By Location of Debtor <sup>15</sup>	
Afghanistan	1	0	0	0	0	0	0	2	0	0
Albania	0	0	0	0	0	1	0	0	3	0
Angola	1	0	0	0	0	0	0	17	0	0
Argentina	7	0	0	2	0	7	0	45	48	14
Australia	138	1	5	24	5	104	3	846	1,280	1,159
Austria	8	0	1	0	0	5	0	63	40	38
Azerbaijan	0	0	0	0	0	1	0	0	0	0
Bahamas	8	0	0	1	0	1	2	4	26	0
Bahrain	7	0	1	1	0	0	0	27	51	0
Bangladesh	1	0	0	0	0	2	0	38	27	6
Barbados	0	0	0	0	0	4	0	38	1	1
Belarus	0	0	0	0	0	1	0	33	21	0
Belgium	3	0	0	0	0	3	0	34	22	3
Belize	4	0	0	0	0	1	0	2	10	0
Bhutan	0	0	0	0	0	0	0	1	0	0
Bolivia	0	0	0	0	0	0	0	2	0	0
Botswana	1	0	0	0	0	0	0	0	5	0
Brazil	38	0	3	9	1	49	0	1,395	854	1,650
Brunei Darussalam	0	0	0	0	0	0	0	2	0	0
Bulgaria	4	0	0	0	0	0	0	18	16	0
Burkina Faso	0	0	0	0	0	1	0	2	0	0

<sup>14</sup> This data represents registrations effected on the Registry in respect of airframes and helicopters only, as engines do not have a State of Registry.

<sup>15</sup> This data represents the total number of registrations by country of location of the debtor. This figure does not include auto-discharges which may occur with amendment registrations effected under Section 5.13(a) of the Regulations.

<sup>16</sup> This data includes the machine-readable format fee as of 1 October 2019.

[illegible]



Country	Account Type Transactions							Registration Transactions		Searches
	User Set-up	Controlled Entity Set-up	Replacement Administrator	Lost Certificates	Entity Name Change	Licence Renewals	Controlled Entity Renewals	By State of Registry <sup>14</sup>	By Location of Debtor <sup>15</sup>	Search Certificates <sup>16</sup>
Malaysia	39	0	2	3	1	50	1	1,587	1,709	108
Maldives	1	0	0	0	0	0	0	3	3	0
Mali	0	0	0	0	0	0	0	1	0	0
Malta	23	0	4	6	0	35	0	251	281	179
Marshall Islands	5	0	0	0	0	0	0	0	13	0
Mauritius	9	0	0	6	0	13	0	5	92	0
Mexico	34	0	2	5	2	57	0	507	512	361
Monaco	3	0	0	0	0	0	0	0	9	1
Mongolia	3	0	0	0	0	0	0	17	17	2
Morocco	2	0	0	0	0	0	0	45	4	0
Mozambique	2	0	0	0	0	1	0	3	9	0
Myanmar	2	0	0	1	0	2	0	27	30	0
Namibia	0	0	0	0	0	4	0	4	2	0
Nepal	1	0	0	0	0	0	0	0	0	1
Netherlands	19	2	1	2	3	19	2	81	205	1,466
Netherlands - Aruba	3	0	0	0	0	4	1	103	15	10
Netherlands - Curaçao	2	0	1	0	0	2	0	0	1	0
Netherlands - Sint Maarten	0	0	0	0	0	0	0	0	0	4
New Zealand	30	1	1	19	1	80	1	202	325	201
Nigeria	7	0	0	3	0	10	0	80	61	33
Norway	12	0	0	3	2	27	1	450	180	55
Oman	3	0	0	0	0	1	0	108	34	0
Pakistan	2	0	0	0	0	0	0	48	9	6
Panama	16	0	1	1	0	12	1	98	66	1
Papua New Guinea	1	0	0	0	0	1	0	20	0	0
Paraguay	2	0	0	0	0	3	0	0	9	0



Country	Account Type Transactions							Registration Transactions		Searches
	User Set-up	Controlled Entity Set-up	Replacement Administrator	Lost Certificates	Entity Name Change	Licence Renewals	Controlled Entity Renewals	By State of Registry <sup>14</sup>	By Location of Debtor <sup>15</sup>	Search Certificates <sup>16</sup>
Peru	2	0	1	0	0	3	0	5	54	1
Philippines	3	0	0	0	0	4	0	129	25	13
Poland	4	0	0	0	0	0	0	23	7	2
Portugal	5	0	0	0	0	7	0	74	27	0
Qatar	1	0	0	1	0	1	0	82	6	0
Republic of Korea	3	0	1	0	1	3	0	154	14	15
Republic of Moldova	1	0	0	0	0	1	0	8	1	0
Romania	3	0	0	0	0	3	0	18	20	1
Russian Federation	16	0	3	5	1	27	0	51	354	87
Rwanda	0	0	0	0	0	0	0	3	0	0
Saint Kitts and Nevis	1	0	0	0	0	1	0	0	0	0
Saint Lucia	1	0	0	0	0	0	0	0	3	0
Saint Vincent and the Grenadines	0	0	0	0	0	0	0	1	0	0
Samoa	1	0	0	0	0	0	0	0	0	0
San Marino	1	0	0	1	0	4	0	41	9	9
Saudi Arabia	4	0	0	1	0	7	0	151	102	0
Senegal	3	0	0	0	0	0	0	15	12	0
Serbia	1	0	0	0	0	0	0	6	0	0
Seychelles	3	0	0	0	0	0	0	0	6	0
Singapore	46	0	0	15	3	74	3	148	535	1120
Slovakia	1	0	0	0	0	1	0	7	8	0
South Africa	22	0	3	1	0	20	0	291	147	21
Spain	15	1	4	8	1	29	0	655	527	193
Sweden	14	1	4	7	0	43	4	279	462	26
Switzerland	24	0	1	1	0	34	0	16	97	46
Thailand	1	0	0	0	0	2	0	300	29	0

Country	Account Type Transactions							Registration Transactions		Searches
	User Set-up	Controlled Entity Set-up	Replacement Administrator	Lost Certificates	Entity Name Change	Licence Renewals	Controlled Entity Renewals	By State of Registry <sup>14</sup>	By Location of Debtor <sup>15</sup>	Search Certificates <sup>16</sup>
Trinidad and Tobago	0	0	0	0	0	2	0	6	10	0
Tunisia	0	0	0	0	0	0	0	1	0	0
Turkey	14	0	0	3	0	17	0	420	329	19
Ukraine	2	0	0	0	0	4	0	24	34	13
United Arab Emirates	43	0	1	4	1	35	1	404	517	223
United Kingdom	136	0	19	42	6	197	8	1,119	1,869	5,211
United Kingdom - Anguilla	1	0	0	0	0	1	0	0	3	0
United Kingdom - Bermuda	24	0	0	6	0	32	13	649	203	36
United Kingdom -British Virgin Islands	90	0	0	5	1	84	7	4	353	12
United Kingdom - Cayman Islands	177	5	2	6	1	321	11	101	1,605	69
United Kingdom - Gibraltar	2	0	0	0	0	13	0	0	8	0
United Kingdom - Guernsey	9	0	0	4	0	12	0	28	67	17
United Kingdom - Isle Of Man	32	0	2	7	0	29	0	64	98	12
United Kingdom - Jersey	2	0	0	1	0	5	0	0	11	22
United Kingdom - Turks and Caicos	2	0	0	0	0	1	0	0	3	0
United Republic of Tanzania	2	0	0	1	0	4	0	10	4	1
United States	4,291	93	51	278	141	3,459	297	19,042	41,488	90,794
Uruguay	0	0	0	0	0	2	0	0	3	0
Uzbekistan	1	0	0	0	0	0	0	5	9	0
Venezuela (Bolivarian Republic of)	2	0	0	0	0	1	0	2	6	0
Viet Nam	2	0	0	2	1	5	0	386	210	68
Zimbabwe	1	0	0	0	0	0	0	2	2	0
<b>Grand Total</b>	<b>7,199</b>	<b>212</b>	<b>219</b>	<b>711</b>	<b>234</b>	<b>6,716</b>	<b>872</b>	<b>39,775</b>	<b>77,464</b>	<b>124,464</b>

**Table 4 - Transaction volumes by revenue and country in 2019**

Country	User Set Up \$	Controlled Entity Set Up \$	Replacement Administrator \$	Lost Certificate \$	Entity Name Change \$	Licence Renewal \$	Controlled Entity Renewals \$	Search Certificates <sup>17</sup> \$
Afghanistan	200	0	0	0	0	0	0	0
Albania	0	0	0	0	0	200	0	0
Angola	200	0	0	0	0	0	0	0
Argentina	1,400	0	0	20	0	1,400	0	308
Australia	27,600	180	250	240	1,000	20,800	540	25,426
Austria	1,600	0	50	0	0	1,000	0	836
Azerbaijan	0	0	0	0	0	200	0	0
Bahamas	1,600	0	0	10	0	200	360	0
Bahrain	1,400	0	50	10	0	0	0	0
Bangladesh	200	0	0	0	0	400	0	132
Barbados	0	0	0	0	0	800	0	22
Belarus	0	0	0	0	0	200	0	0
Belgium	600	0	0	0	0	600	0	66
Belize	800	0	0	0	0	200	0	0
Botswana	200	0	0	0	0	0	0	0
Brazil	7,600	0	150	90	200	9,800	0	36,300
Bulgaria	800	0	0	0	0	0	0	0
Burkina Faso	0	0	0	0	0	200	0	0
Burundi	0	0	0	0	0	200	0	0
Canada	57,800	0	1,200	710	1,400	65,600	1,620	123,614
Chad	200	0	0	0	0	0	0	0
Chile	800	0	0	10	0	800	180	22
China	31,200	180	150	30	800	21,800	720	18,282

<sup>17</sup> This data includes the machine-readable format fee as of 1 October 2019.

Country	User Set Up \$	Controlled Entity Set Up \$	Replacement Administrator \$	Lost Certificate \$	Entity Name Change \$	Licence Renewal \$	Controlled Entity Renewals \$	Search Certificates <sup>17</sup> \$
Colombia	1,200	0	50	10	0	1,400	0	110
Costa Rica	600	0	0	0	0	1,200	0	0
Cyprus	3,600	0	0	10	200	1,600	0	1,782
Czechia	800	0	50	0	200	400	0	66
Denmark	2,200	0	100	40	200	4,000	360	3,300
Dominica	200	0	0	0	0	0	0	0
Dominican Republic	400	0	0	0	0	200	0	0
Ecuador	0	0	0	0	0	400	0	0
Egypt	800	0	0	0	0	600	0	0
El Salvador	200	0	0	0	0	200	0	0
Estonia	0	0	0	0	0	200	0	88
Ethiopia	0	360	0	10	0	400	1,440	0
Fiji	600	0	0	0	0	400	0	308
Finland	400	180	0	0	0	400	0	0
France	9,600	3,240	0	40	0	15,000	16,920	5,016
Gabon	200	0	0	0	0	0	0	44
Germany	10,600	0	50	60	400	12,600	540	1,826
Greece	0	0	0	0	0	200	0	0
Guatemala	0	0	0	0	0	400	0	0
Guyana	0	0	0	0	0	200	0	0
Honduras	200	0	0	0	200	400	0	0
Hungary	0	0	0	10	0	200	0	0
Iceland	600	180	50	10	0	600	0	330
India	3,000	0	0	10	600	2,400	0	46,112
Indonesia	1,800	0	50	40	0	4,000	0	0
Ireland	163,000	7,560	1,600	830	7,200	126,400	45,000	257,950
Israel	600	0	0	0	0	600	0	154
Italy	2,000	360	0	20	0	1,600	0	0
Jamaica	200	0	0	0	0	0	0	0

Country	User Set Up \$	Controlled Entity Set Up \$	Replacement Administrator \$	Lost Certificate \$	Entity Name Change \$	Licence Renewal \$	Controlled Entity Renewals \$	Search Certificates <sup>17</sup> \$
Japan	48,400	7,380	1,650	160	600	68,200	25,740	2,926
Jordan	0	0	0	0	0	1,000	0	22
Kazakhstan	600	0	0	0	0	200	0	0
Kenya	800	0	50	0	0	2,000	0	110
Kuwait	600	0	0	0	0	600	0	0
Latvia	800	0	0	10	200	200	0	550
Lebanon	200	0	0	0	0	200	0	132
Liberia	200	0	0	0	0	0	0	0
Liechtenstein	200	0	0	10	0	200	0	0
Lithuania	400	0	0	0	0	200	0	616
Luxembourg	4,000	0	250	140	400	8,200	360	2,486
Madagascar	600	0	0	0	0	0	0	0
Malaysia	7,800	0	100	30	200	10,000	180	2,376
Maldives	200	0	0	0	0	0	0	0
Malta	4,600	0	200	60	0	7,000	0	3,938
Marshall Islands	1,000	0	0	0	0	0	0	0
Mauritius	1,800	0	0	60	0	2,600	0	0
Mexico	6,800	0	100	50	400	11,400	0	7,942
Monaco	600	0	0	0	0	0	0	22
Mongolia	600	0	0	0	0	0	0	44
Morocco	400	0	0	0	0	0	0	0
Mozambique	400	0	0	0	0	200	0	0
Myanmar	400	0	0	10	0	400	0	0
Namibia	0	0	0	0	0	800	0	0
Nepal	200	0	0	0	0	0	0	22
Netherlands	3,800	360	50	20	600	3,800	360	32,240
Netherlands - Aruba	600	0	0	0	0	800	180	220
Netherlands - Curaçao	400	0	50	0	0	400	0	0
Netherlands - Sint Maarten	0	0	0	0	0	0	0	88

Country	User Set Up \$	Controlled Entity Set Up \$	Replacement Administrator \$	Lost Certificate \$	Entity Name Change \$	Licence Renewal \$	Controlled Entity Renewals \$	Search Certificates <sup>17</sup> \$
New Zealand	6,000	180	50	190	200	16,000	180	4,422
Nigeria	1,400	0	0	30	0	2,000	0	726
Norway	2,400	0	0	30	400	5,400	180	1,210
Oman	600	0	0	0	0	200	0	0
Pakistan	400	0	0	0	0	0	0	132
Panama	3,200	0	50	10	0	2,400	180	22
Papua New Guinea	200	0	0	0	0	200	0	0
Paraguay	400	0	0	0	0	600	0	0
Peru	400	0	50	0	0	600	0	22
Philippines	600	0	0	0	0	800	0	286
Poland	800	0	0	0	0	0	0	44
Portugal	1,000	0	0	0	0	1,400	0	0
Qatar	200	0	0	10	0	200	0	0
Republic of Korea	600	0	50	0	200	600	0	330
Republic of Moldova	200	0	0	0	0	200	0	0
Romania	600	0	0	0	0	600	0	22
Russian Federation	3,200	0	150	50	200	5,400	0	1,914
Saint Kitts and Nevis	200	0	0	0	0	200	0	0
Saint Lucia	200	0	0	0	0	0	0	0
Samoa	200	0	0	0	0	0	0	0
San Marino	200	0	0	10	0	800	0	198
Saudi Arabia	800	0	0	10	0	1,400	0	0
Senegal	600	0	0	0	0	0	0	0
Serbia	200	0	0	0	0	0	0	0
Seychelles	600	0	0	0	0	0	0	0
Singapore	9,200	0	0	150	600	14,800	540	24,640
Slovakia	200	0	0	0	0	200	0	0
South Africa	4,400	0	150	10	0	4,000	0	462
Spain	3,000	180	200	80	200	5,800	0	4,246

Country	User Set Up \$	Controlled Entity Set Up \$	Replacement Administrator \$	Lost Certificate \$	Entity Name Change \$	Licence Renewal \$	Controlled Entity Renewals \$	Search Certificates <sup>17</sup> \$
Sweden	2,800	180	200	70	0	8,600	720	572
Switzerland	4,800	0	50	10	0	6,800	0	1,012
Thailand	200	0	0	0	0	400	0	0
Trinidad and Tobago	0	0	0	0	0	400	0	0
Turkey	2,800	0	0	30	0	3,400	0	418
Ukraine	400	0	0	0	0	800	0	286
United Arab Emirates	8,600	0	50	40	200	7,000	180	4,906
United Kingdom	27,200	0	950	420	1,200	39,400	1,440	114,606
United Kingdom - Anguilla	200	0	0	0	0	200	0	0
United Kingdom - Bermuda	4,800	0	0	60	0	6,400	2,340	792
United Kingdom - British Virgin Islands	18,000	0	0	50	200	16,800	1,260	132
United Kingdom - Cayman Islands	35,400	900	100	60	200	64,200	1,980	1,518
United Kingdom - Gibraltar	400	0	0	0	0	2,600	0	0
United Kingdom - Guernsey	1,800	0	0	40	0	2,400	0	374
United Kingdom - Isle of Man	6,400	0	100	70	0	5,800	0	264
United Kingdom - Jersey	400	0	0	10	0	1,000	0	484
United Kingdom - Turks and Caicos	400	0	0	0	0	200	0	0
United Republic of Tanzania	400	0	0	10	0	800	0	22
United States	858,200	16,740	2,550	2,780	28,200	691,800	53,460	1,997,312
Uruguay	0	0	0	0	0	400	0	0
Uzbekistan	200	0	0	0	0	0	0	0
Venezuela (Bolivarian Republic of)	400	0	0	0	0	200	0	0
Viet Nam	400	0	0	20	200	1,000	0	1,496
Zimbabwe	200	0	0	0	0	0	0	0
<b>Grand Total</b>	<b>1,439,800</b>	<b>38,160</b>	<b>10,950</b>	<b>7,110</b>	<b>46,800</b>	<b>1,343,200</b>	<b>156,960</b>	<b>2,738,698</b>

## REGISTRATIONS BY REGISTRATION TYPE

Table 5 – Registrations by Registration Type (2014 to 2019)

	Create						Amend						Discharge					
Registration Type	2014	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019
International interest	25,716	28,293	30,202	32,016	34,147	33,143	251	184	122	209	406	123	14,875	17,485	17,618	20,124	23,484	24,787
Prospective international interest	6,830	5,429	5,409	5,776	3,544	4,284	30	43	29	90	4	24	3,444	4,218	3,621	5,167	5,110	6,093
Assignment of an international interest	10,160	11,066	11,912	13,381	13,936	12,644	23	22	21	22	15	29	5,298	6,239	7,213	7,947	10,641	10,045
Prospective assignment of an international interest	2,682	2,069	1,680	1,457	945	810	4	16	6	4	3	9	805	1,576	1,172	1,510	1,715	2,477
Sale	19,086	20,309	22,072	23,460	23,477	23,336	134	109	101	66	64	72	170	121	132	117	148	182
Prospective sale	796	728	811	921	681	633	-	5	3	3	-	-	29	13	25	18	28	40
Subordination	853	1,308	1,385	3,507	1,749	2,164	6	-	3	-	13	-	499	420	690	667	1,386	2,618
International interest acquired through subrogation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Registrable non-consensual right or interest	112	206	145	45	22	32	2	2	3	-	1	2	87	71	147	115	56	26
Assignment of registrable non-consensual right or interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-existing right or interest	3	-	3	10	12	-	-	-	-	-	-	-	-	3	-	15	-	-
Notice of national interest	11	2	13	9	74	10	-	-	-	-	-	-	3	-	-	-	-	-
Transfer of a right to consent to the discharge of a registration	8,279	15,318	14,402	14,906	14,359	15,222	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>74,528</b>	<b>84,728</b>	<b>88,034</b>	<b>95,488</b>	<b>92,946</b>	<b>92,278</b>	<b>450</b>	<b>381</b>	<b>288</b>	<b>394</b>	<b>506</b>	<b>259</b>	<b>25,210</b>	<b>30,146</b>	<b>30,618</b>	<b>35,680</b>	<b>42,568</b>	<b>46,268</b>



## APPROVED ENTITIES BY COUNTRY

**Table 6 - Approved Entities by country as of 31 December 2019 (Total 14,341)**

Country	Total
Afghanistan	2
Albania	1
Angola	2
Argentina	15
Australia	265
Austria	16
Azerbaijan	1
Bahamas	9
Bahrain	7
Bangladesh	3
Barbados	4
Belarus	1
Belgium	8
Belize	5
Botswana	1
Brazil	96
Bulgaria	4
Burkina Faso	1
Burundi	1
Canada	664
Chad	1
Chile	8
China	287
Colombia	14
Costa Rica	9
Cyprus	25
Czechia	6
Denmark	32
Dominica	1
Dominican Republic	3
Ecuador	2

Country	Total
Egypt	7
El Salvador	2
Estonia	1
Ethiopia	2
Fiji	4
Finland	4
France	134
Gabon	1
Germany	114
Greece	1
Guatemala	2
Guyana	1
Honduras	3
Hungary	2
Iceland	6
India	30
Indonesia	29
Ireland	1,494
Israel	7
Italy	19
Jamaica	1
Japan	565
Jordan	5
Kazakhstan	5
Kenya	15
Kuwait	6
Kyrgyzstan	1
Latvia	8
Lebanon	2
Liberia	1
Liechtenstein	2
Lithuania	4
Luxembourg	62

Country	Total
Madagascar	3
Malaysia	93
Maldives	1
Malta	58
Marshall Islands	5
Mauritius	22
Mexico	97
Monaco	3
Mongolia	3
Morocco	2
Mozambique	3
Myanmar	5
Namibia	4
Nepal	1
Netherlands	40
Netherlands - Aruba	8
Netherlands - Curaçao	4
Netherlands – Sint Maarten	1
New Zealand	119
Nigeria	17
Norway	39
Oman	3
Pakistan	2
Panama	28
Papua New Guinea	2
Paraguay	5
Peru	5
Philippines	8
Poland	6

Country	Total
Portugal	11
Qatar	2
Republic of Korea	8
Republic of Moldova	2
Romania	6
Russian Federation	43
Saint Kitts and Nevis	2
Saint Lucia	1
Samoa	1
San Marino	4
Saudi Arabia	11
Senegal	3
Serbia	1
Seychelles	3
Singapore	135
Slovakia	2
Slovenia	1
South Africa	48
Spain	47
Sweden	57
Switzerland	65
Thailand	3
Trinidad and Tobago	2
Turkey	39
Ukraine	6
United Arab Emirates	78
United Kingdom	383

Country	Total
United Kingdom - Anguilla	2
United Kingdom - Bermuda	59
United Kingdom – British Virgin Islands	173
United Kingdom – Cayman Islands	492
United Kingdom - Gibraltar	15
United Kingdom - Guernsey	22
United Kingdom - Isle of Man	62
United Kingdom - Jersey	8
United Kingdom - Turks and Caicos	3
United Republic of Tanzania	6
United States	7,897
Uruguay	2
Uzbekistan	1
Venezuela (Bolivarian Republic of)	3
Viet Nam	10
Zimbabwe	1
<b>Total</b>	<b>14,341</b>

## SYSTEM AVAILABILITY

**Table 7 – System Availability**

There is a contractual target to maintain a system availability of 100%, subject to the provisions of the Service Level Agreement.<sup>18</sup>

Table 7 outlines the availability achieved based on the standard that if any function of the Registry is unavailable to users then the system as a whole is treated as being unavailable. The average availability for 2019 was 99.76% compared to 99.79% for 2018.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
<b>System Availability Achieved</b>	100%	99.85%	100%	99.85%	99.82%	99.92%	100%	99.41%	100%	99.60%	98.77%	100%
<b>System Downtime (minutes)</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
<b>Planned</b>	0	62	0	0	78	34	0	260	0	179	533	0
<b>Unplanned</b>	0	0	0	63	0	0	0	0	0	0	0	0

---

<sup>18</sup> Article 8.2.1 of the Contract.

## **Aviareto Limited**

**Annual report  
for the financial year ended  
31 December 2019**

**AVIARETO LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

---

<b>CONTENTS</b>	<b>PAGE</b>
DIRECTORS AND OTHER INFORMATION	1
DIRECTORS' REPORT	2 – 3
STATEMENT OF DIRECTORS' RESPONSIBILITIES	4
INDEPENDENT AUDITORS' REPORT	5 – 7
STATEMENT OF COMPREHENSIVE INCOME	8
BALANCE SHEET	9
STATEMENT OF CASH FLOWS	10
STATEMENT OF CHANGES IN EQUITY	11
NOTES TO THE FINANCIAL STATEMENTS	12 – 21

**AVIARETO LIMITED**  
**DIRECTORS AND OTHER INFORMATION**

---

**LEGAL FORM**

Company limited by shares incorporated in the Republic of Ireland

**DIRECTORS**

Dan Ebbinghaus (Canadian)  
Niall Greene  
Robert Cowan  
Brian Skehan  
Fintan Towey

**SECRETARY**

Aileen McEntee

**REGISTERED OFFICE**

Suite 5  
Plaza 255  
Blanchardstown Corporate Park 2  
Blanchardstown  
Dublin 15

**STATUTORY AUDITORS**

PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

**SOLICITORS**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2

**BANKERS**

Bank of Ireland  
2 College Green  
Dublin 2

Société Generale  
Tour Ariane  
5 Place de la Pyramide  
F – 92088 Paris La Défense Cedex  
France

JP Morgan  
1 George's Dock  
North Dock  
Dublin 1  
Ireland

## **AVIARETO LIMITED**

### **DIRECTORS' REPORT**

---

The directors present their annual report and audited financial statements of the company for the financial year ended 31 December 2019.

#### **ACTIVITIES**

The company's principal business activity is the management of the International Registry ("IR") of International Interests in Aircraft Equipment, a central database which records financial interest in airframes, aircraft engines and helicopters. Following the adoption of Cape Town Convention and Protocol in 2001, the International Civil Aviation Organisation (ICAO) has engaged Aviareto Limited to maintain this registry.

The operations that took place in the financial year ended 31 December 2019 involved the continuation of the operations commenced in 2006, the development and launching of new products and processes and other enhancements of the system, technical audits, and financial and accounting activities. These operations were funded by revenues generated from operations.

#### **RISKS AND UNCERTAINTIES**

The Registry operates on a cost recovery basis according to the Cape Town Convention and Aircraft Protocol and the company's contract with ICAO. Thus, the revenues that the company generates and its ability to cover its costs are highly dependent on the number of users and interests registered on the system. Should the volumes fall below the company's expectations, it would be necessary to seek and get approval from ICAO for a fee increase to generate sufficient revenues for the company to cover its operating costs.

In accordance with Article XX (3) of the Aircraft Protocol, the user fees are set to cover "the reasonable costs of establishing, operating and regulating the International Registry and the reasonable costs of the Supervisory Authority associated with the performance of the functions, exercise of the powers, and discharge of the duties contemplated by Article 17(2) of the Convention". The costs of the Supervisory Authority for 2019 (net of the surplus amount from 2018) are approximately US \$297,620 (2018: US\$157,386). The Supervisory Authority has the authority to set and periodically review the fees as required by the Convention and the Protocol. Revenue continued to grow in 2019. Aviareto's contract to operate the international Registry expires in 2021.

Aviareto was informed in 2018 that the contract will be renewed from 2021 until 2026.

Were Aviareto to lose its contract to operate the International Registry, it would begin planning for an orderly termination of operations. There are likely to be substantial closure costs including those associated with, inter alia, staff redundancies, office fittings, contract terminations, insurance maintenance etc. Management believes that the risk of losing the contract is small and therefore has not included closing costs in the financial statements. However, should the contract be awarded to another company, these costs would be funded from company reserves.

Under Article 28 of the Convention, Aviareto (the Registrar) "shall be liable for compensatory damages for loss suffered by a person directly resulting from an error or omission of the Registrar and its officers and employees or from a malfunction of the international registration system except where the malfunction is caused by an event of an inevitable and irresistible nature, which could not be prevented by using the best practices in current use in the field of electronic registry design and operation, including those related to back-up and systems security and networking". Aviareto has taken out substantial (2019: US\$200M, 2018: US\$200M) Errors and Omissions insurance in respect of these risks.

During 2019, there were 14 individual security reviews and tests of the IR system, IR application software and the corporate IT environment conducted by Deloitte. Risks were identified, evaluated and categorised. Risks were treated according to our risk management framework. Management is satisfied that the issues found have been dealt with appropriately and cause no significant risk to the business.

Business risk management was actively reviewed during 2019 and is considered by the Board of Directors at each of its meetings. Exchange rate risk is controlled by entering into a treasury and cash pooling agreement through SITA SC.

In accordance with Article 17(4) of the Convention, ICAO owns the Intellectual Property Rights (IPR) to the data and archives of the International Registry (ICAO/Aviareto Contract dated 1 March 2016, Articles 6.1 and 16.1).

It also has an irrevocable royalty free licence in perpetuity to use and modify the source code(s) and software for the purpose of operating the International Registry only (ICAO/Aviareto Contract dated 1 March 2016, Article 6.4.1(a)). SITA has recognised these rights in clause 12.7 of the International Registry Agreement 2016 between SITA ATS and Aviareto.

## **REVIEW OF DEVELOPMENTS AND RESULTS FOR THE FINANCIAL YEAR**

Details of the profit for the financial year and of the company at 31 December 2019 are set out in the financial statements on pages 8-21. The directors do not recommend the payment of an ordinary dividend (2018: US\$nil).

## **DIRECTORS**

The present membership of the Board and the names of the persons who, at any time during the financial year, were directors of the company, is set out on page 1.

## **DIRECTORS' AND SECRETARY'S INTERESTS**

The directors and secretary of the company had no interest in the shares of the company or any other group company at the beginning or end of the year.

## **POST BALANCE SHEET EVENTS**

The coronavirus (COVID-19) outbreak in early 2020 has spread all over the world, causing disruptions to businesses and economic activity. There was no impact on our 2019 result or financial position at year end. The Company has undertaken a preliminary assessment of the impact of this outbreak and is satisfied that a possible revenue reduction in the next twelve months, combined with the ability of management to take compensating actions, would result in an overall impact that is not likely to be significant. In the event of this outbreak having a longer and more protracted impact than we have currently assessed, the directors note that the Company has a strong balance sheet with cash reserves of \$3.5 million and a cash pooling balance with SITA S.C. of \$3.1 million at 31 December 2019. Furthermore, under Article XX (3) of the Aircraft Protocol, our fees shall be determined so as to recover the reasonable costs of establishing, operating and regulating the International Registry; so, in the event of significant losses arising, the Company has the legal right to raise pricing

## **ACCOUNTING RECORDS**

The directors believe that they have complied with the requirements of Sections 281-285 of the Companies Act 2014 with regard to the keeping of adequate accounting records by the engagement of appropriately qualified accounting personnel and the maintenance of computerised accounting systems under an agreement with SITA SC. The accounting records are located at SITA INC BV, V Parku 2336/22 00 Praha 4, Czech Republic. Adequate accounting records are readily available at the company's office registered in Blanchardstown which disclose with reasonable accuracy the financial position of the company at intervals not exceeding six months.

## **DISCLOSURE OF INFORMATION TO THE AUDITORS**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow directors and the auditors, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

## **STATUTORY AUDITORS**

The independent auditors, PricewaterhouseCoopers, Chartered Accountants & Statutory Audit Firm, have signified their willingness to continue in office in accordance with Section 383(2) of the Companies Act, 2014.

Signed on behalf of the Board:

**Brian Skehan**

---

**Brian Skehan**  
**Director**

**Robert Cowan**

---

**Robert Cowan**  
**Director**

Date: 27<sup>th</sup> April 2020

**AVIARETO LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

---

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and Irish law).

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the company for the financial year.

In preparing these 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 the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 102; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

***Brian Skehan***

***Robert Cowan***

---

**Brian Skehan**  
**Director**

---

**Robert Cowan**  
**Director**

Date: 27<sup>th</sup> April 2020





## ***Independent auditors' report to the members of Aviareto Limited***

### **Report on the audit of the financial statements**

---

#### **Opinion**

In our opinion, Aviareto Limited's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2019 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Balance sheet as at 31 December 2019;
  - the Statement of comprehensive income for the year then ended;
  - the Statement of cash flows for the year then ended;
  - the Statement of changes in equity for the year then ended; and
  - the notes to the financial statements, which include a description of the significant accounting policies.
- 

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

---

#### **Conclusions relating to going concern**

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

---

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

---

## Responsibilities for the financial statements and the audit

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)

This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

---

## Other required reporting

---

### Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
  - In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
  - The financial statements are in agreement with the accounting records.
- 

### Companies Act 2014 exception reporting

#### *Directors' remuneration and transactions*

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

***Damien Byrne***

Damian Byrne  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin  
27 April 2020

**AVIARETO LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 DECEMBER 2019**

	<b>Notes</b>	<b>2019 US\$</b>	<b>2018 US\$</b>
<b>Turnover</b>		<b>8,024,990</b>	7,744,110
Cost of Sales		<b>(5,170,132)</b>	(4,576,802)
<b>Gross profit</b>		<b>2,854,858</b>	3,167,308
Administrative expenses		<b>(2,305,058)</b>	(2,189,517)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>6</b>	<b>549,800</b>	977,791
Taxation on profit on ordinary activities	<b>7</b>	<b>(17,588)</b>	(8,961)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>532,212</b>	968,830
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<b>532,212</b>	968,830

All profits and total comprehensive profits relate to continuing activities

The notes on pages 12 to 21 form part of these financial statements.

**AVIARETO LIMITED**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Notes	2019 US\$	2018 US\$
<b>FIXED ASSETS</b>			
Intangible assets	8	<b>4,141,215</b>	3,980,917
Tangible assets	9	<b>1,480,695</b>	1,845,407
		<b>5,621,910</b>	5,826,324
<b>CURRENT ASSETS</b>			
Amounts owed by group undertakings	10	<b>3,098,238</b>	4,498,598
Trade and other debtors	10	<b>33</b>	33
Prepayments and accrued income	10	<b>188,648</b>	52,132
VAT recoverable		<b>62,869</b>	-
Cash at bank and in hand		<b>3,469,714</b>	752,548
		<b>6,819,502</b>	5,303,311
<b>CREDITORS:</b>			
Amounts falling due within one year	11	<b>(3,235,563)</b>	(2,455,998)
		<b>3,583,939</b>	2,847,313
<b>NET CURRENT ASSETS</b>			
		<b>9,205,849</b>	8,673,637
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital presented as equity	12	<b>240,035</b>	240,035
Profit and loss account		<b>8,965,814</b>	8,433,602
<b>Shareholders' surplus</b>		<b>9,205,849</b>	8,673,637

The notes on pages 12 to 21 form part of these financial statements.

The financial statements were approved by the Board of Directors on 27<sup>th</sup> April 2020 and signed on its behalf by:

*Brian Skehan*

**Brian Skehan**  
**Director**

*Robert Cowan*

**Robert Cowan**  
**Director**

**AVIARETO LIMITED**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 DECEMBER 2019**

	<b>Notes</b>	<b>2019 US\$</b>	<b>2018 US\$</b>
<b>Cash flow from operating activities</b>			
Profit for the financial year		<b>532,212</b>	968,830
Amortisation of intangible assets	8	<b>1,500,629</b>	1,381,111
Depreciation of tangible assets	9	<b>364,712</b>	349,497
Impairment of intangible assets	6	-	-
(Increase)/decrease in debtors		<b>(199,385)</b>	34,192
Increase/(decrease) in payables		<b>779,565</b>	(305,612)
<b>Net cash generated from operating activities</b>		<b>2,977,733</b>	2,428,018
<b>Cash flow from investing activities</b>			
Decrease/(increase) in cash pooling with SITA S.C.	10	<b>1,400,360</b>	(834,727)
Purchase of intangible assets	8	<b>(1,660,927)</b>	(1,467,920)
Purchase of tangible assets	9	-	(52,347)
<b>Net cash used in investing activities</b>		<b>(260,567)</b>	(2,354,994)
<b>Net increase in cash and cash equivalents</b>		<b>2,717,166</b>	73,024
<b>Cash and cash equivalents at the beginning of the year</b>		<b>752,548</b>	679,524
<b>Cash and cash equivalents at the end of the year</b>		<b>3,469,714</b>	752,548
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		<b>3,469,714</b>	752,548

The notes on pages 12 to 21 form part of these financial statements.

<b>Analysis of cash available including intercompany cash pooling arrangement</b>	<b>Notes</b>	<b>2019 US\$</b>	<b>2018 US\$</b>
Cash and cash equivalents		<b>3,469,714</b>	752,548
Amounts on deposit through intercompany cash pooling arrangement	10	<b>3,098,238</b>	4,498,598
<b>Total of cash and intercompany cash pooling arrangement</b>		<b>6,567,952</b>	5,251,146

**AVIARETO LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2019**

	<b>Share capital</b> <b>US\$</b>	<b>Retained earnings</b> <b>US\$</b>	<b>Total Equity</b> <b>US\$</b>
<b>At 1 January 2018</b>	<b>240,035</b>	<b>7,464,772</b>	<b>7,704,807</b>
<b>Total comprehensive income for the financial year</b>			
- Profit for the year	-	<b>968,830</b>	<b>968,830</b>
<b>At 31 December 2018</b>	<b>240,035</b>	<b>8,433,602</b>	<b>8,673,637</b>
<b>At 1 January 2019</b>	<b>240,035</b>	<b>8,433,602</b>	<b>8,673,637</b>
<b>Total comprehensive income for the financial year</b>			
- Profit for the year	-	<b>532,212</b>	<b>532,212</b>
<b>At 31 December 2019</b>	<b>240,035</b>	<b>8,965,814</b>	<b>9,205,849</b>

The notes on pages 12 to 21 form part of these financial statements.

**AVIARETO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**1 SIGNIFICANT ACCOUNTING POLICIES**

**(a) COMPANY INFORMATION AND BASIS OF PREPARATION**

Aviareto Limited is a Company limited by shares incorporated in the Republic of Ireland, the registered address is located at Suite 5, Plaza 255, Blanchardstown Corporate Park 2, Blanchardstown, Dublin 15. The registered number of the Company is 383536.

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The following significant accounting policies adopted by the company are as follows:

**(b) ACCOUNTING CONVENTION**

The financial statements have been prepared under the historical cost convention except for financial assets and liabilities measured at fair value through the statement of comprehensive income.

**(c) TURNOVER**

Turnover consists of income generated from the operation of the International Registry. All fees are set out by ICAO and are subject to review by them. There are three main streams – search revenue, fees for registration of interests in aircraft objects and application & licence fees. Revenue generated from the application and licence fees stream are recognised on a straight-line basis over the term of the licence purchased or renewed. All other revenue is recognised immediately on provision of the service.

**(d) TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated in order to write-off the cost of tangible assets over their estimated useful lives by equal annual instalments.

The estimated useful lives of tangible fixed assets by reference to which depreciation has been calculated are as follows:

Computer systems - registry	5-7 years
Computer equipment	3-5 years
Fixtures and fittings	3-10 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 within 'other operating income' in the statement of comprehensive income.

**(e) INTANGIBLE ASSETS AND AMORTISATION**

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 of intangible fixed assets by reference to which amortisation has been calculated are as follows:

Computer software	5 years
Assets under construction	n/a

Amortisation of intangible assets is recognized against Cost of sales financial statement line item.



**AVIARETO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**(f) FOREIGN CURRENCIES**

*Functional and presentation currency*

These financial statements are presented in United States Dollars ("US\$"), which is the functional currency of the Company. The Directors of the Company believe that US\$ most faithfully represents the economic effects of the underlying transactions, events and conditions.

*Transactions and balances*

Transactions denominated in foreign currencies relating to costs are translated into US\$ at the rates of exchange ruling on the dates on which transactions occurred. Monetary assets and liabilities denominated in foreign currencies are translated into US\$ at the rates of exchange ruling on the balance sheet date. All exchange differences are dealt with in the statement of comprehensive income.

**(g) FINANCIAL INSTRUMENTS**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable; loans from banks and other third parties; and loans to and from related parties. Debtors and creditors are subsequently measured at amortised cost.

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. Purchases and sales of financial assets and financial liabilities are recognised using trade date accounting. From trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the statement of comprehensive income.

An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

**(h) NON-FINANCIAL INSTRUMENTS**

An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

**(i) LEASING**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income so as to produce constant periodic rates of change on the net obligations outstanding in each period.

Operating leases are leases which do not transfer substantially all the risks and rewards of ownership to the company. Operating lease expenses are recognised on a straight-line basis over the term of the lease. Incentives received to enter into an operating lease are recognised as a reduction of the operating lease expense on a straight-line basis over the term of the lease.

**(j) TAXATION**

Corporation tax is provided on taxable profits at current rates.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent that they are regarded as recoverable.

**(k) PENSIONS**

The company operates a defined contribution plan for its employees. Contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet.

The assets of the plan are held separately from the company in independently administered funds.

**(l) DEFERRED REVENUES**

Revenue is recognised when it is probable that future economic benefits associated with the transaction will flow to the entity and that these benefits can be measured reliably. Amounts invoiced in advance of revenue recognition are recognised on the balance sheet as deferred revenue until such revenue is recognised.

**(m) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash.

**2 JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised and in any future financial years affected.

In preparing these financial statements, the directors have had to make the following judgements:

**(a) Useful life and residual values of assets**

The estimated useful lives require an estimate by type of asset. The basis for the estimated useful lives follows the underlying use of the asset and the expected economic time of use.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of the assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**AVIARETO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**3 GOING CONCERN**

At 31 December 2019, the company had net assets of US\$9,205,849 (2018: net assets of US\$8,673,637).

The directors have considered carefully the company's budgets and cash flow projections and are satisfied that the company will have sufficient working capital to enable it to continue to trade for the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

**4 TURNOVER**

Turnover consists of the income generated from the operation of the International Registry.

	<b>2019</b>	2018
	<b>US\$</b>	US\$
Analysis of turnover by geographical market:		
United States	<b>5,219,841</b>	4,995,354
Ireland	<b>858,000</b>	802,115
Canada	<b>366,068</b>	286,066
United Kingdom	<b>278,591</b>	306,345
Japan	<b>157,696</b>	157,688
Rest of the world	<b>1,144,794</b>	1,196,542
	<b><u>8,024,990</u></b>	<u>7,744,110</u>

**5 EMPLOYEES AND REMUNERATION**

The average number of persons employed by the company in the financial year was 19 (2018: 21) and is analysed into the following categories:

	<b>2019</b>	2018
	<b>Number</b>	Number
Management	<b>5</b>	5
Operational staff	<b>14</b>	16
	<b><u>19</u></b>	<u>21</u>

	<b>2019</b>	2018
	<b>US\$</b>	US\$
<b>Staff costs (including directors)</b>		
Wages and salaries	<b>1,625,526</b>	1,641,294
Social welfare	<b>241,220</b>	226,570
Pension – defined contribution	<b>83,947</b>	81,096
	<b><u>1,950,693</u></b>	<u>1,948,960</u>

**AVIARETO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<b>2019</b>	2018
	<b>US\$</b>	US\$
Profit on ordinary activities before taxation is stated after charging:		
Directors' remuneration		
– Emoluments	<b>259,843</b>	266,822
– Contributions to defined contribution scheme (i)	<b>20,930</b>	22,214
Total Directors' remuneration	<b>280,773</b>	289,036
Amortisation	<b>1,500,629</b>	1,381,111
Depreciation	<b>364,712</b>	349,497
Impairment of intangible assets (note 8)	-	-
Operating lease charges	<b>173,580</b>	181,231
Foreign exchange losses loss	<b>5,962</b>	2,487

(i) Retirement benefits are accruing to 1 director (2018: 1 director) under a defined contribution scheme.

**7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2019</b>	2018
	<b>US\$</b>	US\$
Corporation tax	<b>17,588</b>	8,961
	<b>17,588</b>	8,961
<b>Factors affecting the tax charge for the financial year:</b>		
Profit on ordinary activities before tax	<b>549,800</b>	977,791
Tax at the standard rate of tax 12.5%	<b>68,725</b>	122,224
<b>Effects of</b>		
Non-taxable income	<b>(68,725)</b>	(122,224)
Income taxed at a higher rate 25%	<b>17,588</b>	8,961
	<b>17,588</b>	8,961

Aviareto is outside the scope of Irish corporation tax on its trading income due to a Revenue Commissioners agreement that any surpluses or deficits arising from its activities under the licence from ICAO are not within the charge to Irish corporation tax. The only taxable income is interest income.

No deferred tax is recognised because all timing differences are permanent.

**AVIARETO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**8 INTANGIBLE ASSETS**

	<b>Computer Software US\$</b>	<b>Assets Under Construction US\$</b>	<b>Total US\$</b>
<b>Cost:</b>			
<b>At 1 January 2018</b>	6,112,676	235,894	6,348,570
Additions	1,462,641	5,279	1,467,920
Transfers	-	-	-
Impairment	-	-	-
<b>At 31 December 2018</b>	<u>7,575,317</u>	<u>241,173</u>	<u>7,816,490</u>
<b>At 1 January 2019</b>	<b>7,575,317</b>	<b>241,173</b>	<b>7,816,490</b>
Additions	<b>1,482,918</b>	<b>178,009</b>	<b>1,660,927</b>
Impairment	-	-	-
<b>At 31 December 2019</b>	<u><b>9,058,235</b></u>	<u><b>419,182</b></u>	<u><b>9,477,417</b></u>
<b>Accumulated amortisation:</b>			
<b>At 1 January 2018</b>	2,454,462	-	2,454,462
Charge for financial year	1,381,111	-	1,381,111
Impairment	-	-	-
<b>At 31 December 2018</b>	<u><b>3,835,573</b></u>	<u>-</u>	<u><b>3,835,573</b></u>
<b>At 1 January 2019</b>	<b>3,835,573</b>	-	<b>3,835,573</b>
Charge for financial year	1,500,629	-	1,500,629
Impairment	-	-	-
<b>At 31 December 2019</b>	<u><b>5,336,202</b></u>	<u>-</u>	<u><b>5,336,202</b></u>
<b>Net Book Value</b>			
<b>At 31 December 2019</b>	<u><b>3,722,033</b></u>	<u><b>419,182</b></u>	<u><b>4,141,215</b></u>
At 31 December 2018	<u>3,739,744</u>	<u>241,173</u>	<u>3,980,917</u>
At 31 December 2017	<u>3,658,214</u>	<u>235,894</u>	<u>3,894,108</u>

Average useful lives/amortization period assets  
of remaining fixed assets (in months) as at

**31 December 2019**

31 December 2018

**60**

60

**AVIARETO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**9 TANGIBLE FIXED ASSETS**

	<b>Computer Systems US\$</b>	<b>Computer Equipment US\$</b>	<b>Fixtures &amp; Fittings US\$</b>	<b>Total US\$</b>
<b>Cost:</b>				
<b>At 1 January 2018</b>	<b>2,174,015</b>	<b>121,735</b>	<b>438,076</b>	<b>2,733,826</b>
Additions	41,098	-	11,249	52,347
Disposals	-	-	(29,189)	(29,189)
<b>At 31 December 2018</b>	<b>2,215,113</b>	<b>121,735</b>	<b>420,136</b>	<b>2,756,984</b>
<b>At 1 January 2019</b>	<b>2,215,113</b>	<b>121,735</b>	<b>420,136</b>	<b>2,756,984</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>At 31 December 2019</b>	<b>2,215,113</b>	<b>121,735</b>	<b>420,136</b>	<b>2,756,984</b>
<b>Accumulated depreciation:</b>				
<b>At 1 January 2018</b>	<b>343,050</b>	<b>118,915</b>	<b>129,304</b>	<b>591,269</b>
Charge for financial year	304,070	2,820	42,607	349,497
Disposals	-	-	(29,189)	(29,189)
<b>At 31 December 2018</b>	<b>647,120</b>	<b>121,735</b>	<b>142,722</b>	<b>911,577</b>
<b>At 1 January 2019</b>	<b>647,120</b>	<b>121,735</b>	<b>142,722</b>	<b>911,577</b>
Charge for financial year	361,641	-	3,071	364,712
Disposals	-	-	-	-
<b>At 31 December 2019</b>	<b>1,008,761</b>	<b>121,735</b>	<b>145,793</b>	<b>1,276,289</b>
<b>Net Book Value</b>				
<b>At 31 December 2019</b>	<b>1,206,352</b>	<b>-</b>	<b>274,343</b>	<b>1,480,695</b>
At 31 December 2018	<b>1,567,993</b>	<b>-</b>	<b>277,414</b>	<b>1,845,407</b>
At 31 December 2017	1,830,965	2,820	308,772	2,142,557

**10 DEBTORS**

	<b>2019 US\$</b>	<b>2018 US\$</b>
<b><i>Amounts falling due within one year</i></b>		
Trade and other debtors	<b>33</b>	33
Amounts owed by group undertakings: SITA S.C.		
- amounts receivable from cash pooling arrangement (note 13 & 18)	<b>3,098,238</b>	4,498,598
Prepayments	<b>188,648</b>	52,132
VAT recoverable	<b>62,869</b>	-
	<b>3,349,788</b>	4,550,763

Amounts owed by group undertakings are unsecured, with interest overnight LIBOR less 0.5%, have no fixed date of repayment and are repayable on demand. These amounts relate to cash transferred and loaned through a cash pooling arrangement between the company and its parent, SITA S.C.

Other debtors and prepayments are payable at various dates in the three months from the end of the financial year in accordance with the debtors' usual and customary credit terms. Other debtors include VAT receivable of US\$62,869 (2018: US\$nil). Debtors for tax and social insurance are payable in the timeframe set down in the relevant legislation.

**AVIARETO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**11 CREDITORS**

	<b>2019</b>	<b>2018</b>
	<b>US\$</b>	<b>US\$</b>
<b><i>Amounts falling due within one year</i></b>		
Trade creditors	<b>210,056</b>	<b>196,518</b>
Prepayments from customers	<b>142,486</b>	<b>189,865</b>
Accruals	<b>297,764</b>	<b>304,527</b>
Amounts due to related company (note 18)	<b>1,061,478</b>	<b>241,172</b>
Deferred revenue	<b>1,405,600</b>	<b>1,408,643</b>
VAT	<b>14</b>	<b>4,274</b>
PRSI	<b>30,274</b>	<b>30,648</b>
PAYE	<b>70,303</b>	<b>71,390</b>
Corporation tax	<b>17,588</b>	<b>8,961</b>
	<b><u>3,235,563</u></b>	<b><u>2,455,998</u></b>

Trade and other creditors and amounts due to related company are payable at various dates in the three months from the end of the financial year in accordance with the creditors' usual and customary credit terms.

Amounts invoiced in advance of revenue recognition are recognised on the balance sheet as deferred revenue. Deferred revenues are released in the twelve months from the end of the financial year.

Provisions for bonuses are payable in the six months from the end of the financial year.

Creditors for tax and social insurance are payable in the timeframe set down in the relevant legislation.

**12 CALLED UP SHARE CAPITAL PRESENTED AS EQUITY**

	<b>2019</b>	<b>2018</b>
	<b>US\$</b>	<b>US\$</b>
Authorised:		
1,000,000 (2018: 1,000,000) Ordinary shares of €1.00 each	<b>1,330,000</b>	1,330,000
Called up, allotted and fully paid:		
200,000 (2018: 200,000) Ordinary shares of €1.00 each	<b><u>240,035</u></b>	<u>240,035</u>

**13 FINANCIAL INSTRUMENTS**

	<b>2019</b>	<b>2018</b>
	<b>US\$</b>	<b>US\$</b>
<b>Financial assets measured at amortised cost</b>		
Trade debtors	<b>33</b>	33
Amounts owed by group undertakings	<b><u>3,098,238</u></b>	<u>4,498,598</u>
	<b><u>3,098,271</u></b>	<u>4,498,631</u>
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	<b>210,056</b>	196,518
Prepayments from customers	<b>142,486</b>	189,865
Accruals	<b>297,764</b>	304,527
Amounts due to related company	<b><u>1,061,478</u></b>	<u>241,172</u>
	<b><u>1,711,784</u></b>	<u>932,082</u>

**AVIARETO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**14 OPERATING LEASE COMMITMENTS**

The future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2019</b>	<b>2018</b>
	<b>US\$</b>	<b>US\$</b>
Amounts due within one year	<b>148,314</b>	151,586
Between two and five years	<b>259,549</b>	405,752
More than five years	-	-
	<b>407,863</b>	557,338

The company enters into operating lease arrangements for the hire of buildings as these arrangements are a cost efficient way of obtaining the short-term benefits of these assets. The lease rental expense for the year is disclosed in Note 6 and the commitments under these arrangements are disclosed above. There are no other material off-balance sheet arrangements.

**15 COMMITMENTS AND CONTINGENCIES**

The company had capital commitments as at 31 December 2019 amounting to US\$nil (2018: US\$nil).

Aviareto is committed under clause 8.7.2 of its contract with ICAO to maintain a cash balance of \$500,000. The purpose of this commitment is to deal with volatility and contingency issues including any insurance deductibles which might arise.

**16 PENSIONS**

The company operates a defined contribution pension scheme.

The contributions paid by the company in the financial year ended 31 December 2019 were US\$83,947 (2018: US\$72,897). The amount outstanding at 31 December 2019 was US\$23 (2018: US\$nil).

**17 HOLDING COMPANY**

The parent company of Aviareto Limited is Compagnie Internationale de Participations SA (CIP SA), a company incorporated in Belgium; registered office: Avenue des Olympiades 2, B-1140 Brussels, Belgium.

The ultimate parent company of Aviareto Limited is Société Internationale de Télécommunications (SITA) SCRL, which is also incorporated in Belgium; registered office: Olympiades 2, B-1140, Brussels. SITA S.C. is owned by 437 airlines, and its shares are redistributed every year according to the share of each airline in the activity of the prior year.

**18 RELATED PARTY TRANSACTIONS**

Aviareto Limited purchased services during the financial year from related companies as follows:

SITA Advanced Travel Solutions Ltd.	US\$1,683,583 (2018: US\$1,474,566)
SITA Information Networking Computing B.V.	US\$154,872 (2018: US\$135,108)
SITA Switzerland	US\$nil (2018: US\$nil)



**18 RELATED PARTY TRANSACTIONS (CONTINUED)**

The amounts due by Aviareto Limited to related parties at 31 December 2019 are as follows:

Creditors: Amounts falling due within one year:

SITA Advanced Travel Solutions Ltd. US\$1,061,478 (2018: US\$241,172)

The amounts owed to Aviareto Limited from related parties at 31 December 2019 are as follows:

Debtors:

SITA S.C. US\$3,098,238 (2018: US\$4,498,598)

SITA S.C. provides accounting, HR, IT, finance, Treasury and support services under contract; SITA Advanced Travel Solutions Limited provides systems software development services; SITA Information Networking Computing B.V. provides management services.

**Key Management**

The Company's key management is the Board of Directors, on which the Managing Director sits. The Board of Directors have the authority and responsibility for planning, directing and controlling the activities of the Company and have delegated certain responsibilities and authorities to the Managing Director for the daily management of the Company. The total payments made by the company to key management during the year were US\$280,773 (2018: US\$289,036).

**19 POST BALANCE SHEET EVENTS**

The coronavirus (COVID-19) outbreak in early 2020 has spread all over the world, causing disruptions to businesses and economic activity. There was no impact on our 2019 result or financial position at year end. The Company has undertaken a preliminary assessment of the impact of this outbreak and is satisfied that a possible revenue reduction in the next twelve months, combined with the ability of management to take compensating actions, would result in an overall impact that is not likely to be significant. In the event of this outbreak having a longer and more protracted impact than we have currently assessed, the directors note that the Company has a strong balance sheet with cash reserves of \$3.5 million and a cash pooling balance with SITA S.C. of \$3.1 million at 31 December 2019. Furthermore, under Article XX (3) of the Aircraft Protocol, our fees shall be determined so as to recover the reasonable costs of establishing, operating and regulating the International Registry; so in the event of significant losses arising, the Company has the legal right to raise pricing

**20 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were authorised and approved for the issue by the Board on 27<sup>th</sup> April 2020