5. Brexit

In June 2018, the Company published its Brexit Risk Assessment outlining its expectations regarding the material consequences and risks for the Company arising from the UK leaving the European Union without a deal (a "No deal Brexit"). In September 2018, the Company launched a project to mitigate against the major disruptions Brexit could potentially cause to the Company's business and production activities. To date, significant progress has been made in mitigating the identified risks through for example the modification of Airbus' customs systems, and the stockpiling of parts associated with transportation and logistics. The UK Government's Withdrawal Agreement was ratified and the UK left the European Union in an orderly manner on 31 January, opening a transition period until 31 December. During this transition period, the European Union and the UK are continuing to negotiate their future long term relationship, including around alignment of the regulatory framework for aviation. Until we know and understand the new EU/UK relationship, the risk of a No deal Brexit at the end of the transition period cannot be excluded. Despite the actions the Company is taking internally, the Company's operations and supply chain may still suffer from disruptions, the nature, materiality and duration of which is impossible to predict with any level of certainty. Accordingly, the Company will continue to run its Brexit project and associated crisis management plan, in order to further eradicate and mitigate identified future risks.

2.2 Airbus Structure

6. Scope of Consolidation

Consolidation — The Company's Consolidated Financial Statements include the financial statements of Airbus SE and all material subsidiaries controlled by the Company. The Company's subsidiaries prepare their financial statements at the same reporting date as the Company's Consolidated Financial Statements (see Appendix "Simplified Airbus Structure" chart).

Subsidiaries are entities controlled by the Company including so-called structured entities, which are created to accomplish a narrow and well-defined objective. They are fully consolidated from the date control commences to the date control ceases.

The assessment of control of a structured entity is performed in three steps. In a first step, the Company identifies the relevant activities of the structured entities (which may include managing lease receivables, managing the sale or re-lease at the end of the lease and managing the sale or re-lease on default) and in a second step, the Company assesses which activity is expected to have the most significant impact on the structured entities' return. Finally, the Company determines which party or parties control this activity.

The Company's interests in equity-accounted investees comprise investments in associates and joint ventures. Such investments are accounted for under the equity method and are initially recognised at cost.

The financial statements of the Company's investments in associates and joint ventures are generally prepared for the same reporting period as for the parent company. Adjustments are made where necessary to bring the accounting policies and accounting periods in line with those of the Company.

PERIMETER OF CONSOLIDATION

	31 December	
(Number of companies)	**2019**	2018
Fully consolidated entities	185	189
Investments accounted for under the equity method		
in joint ventures	52	45
in associates	25	19
Total	**262**	**253**

For more details related to unconsolidated and consolidated structured entities, see "– Note 27: Sales Financing Transactions".