



AMEDEO AIR FOUR PLUS LIMITED

Consolidated Half-yearly
Financial Report (Unaudited)
From 1 April 2017 to 30 September 2017

2017

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Summary Information

Trading	The Specialist Fund Segment of the London Stock Exchange's Main Market
Ticker	AA4
SEDOL ISIN LEI	BWC53H4 GG00BWC53H48 21380056PDNOTWERG107
Reporting Currency	Sterling
Launch Date/Price	13 May 2015 / 100p
Share Price	107.00p (as at 30 September 2017) 105.50p (as at 8 December 2017)
Market Capitalisation	GBP 644.033 million (as at 30 September 2017)
Target Dividend	2.0625p per Share per quarter (8.25p per annum)
Dividend Payment Dates	January, April, July, October
Year End	31 March
Stocks & Shares ISA	Eligible
Aircraft Registration Numbers	A6-EEY, A6-EOB, A6-EOM, A6-EOQ, A6-EOV, A6-EOX, A6-EPO, A6-EPQ, A6-API, A6-APJ, HS-THF, HS-THG, HS-THH
Website	www.aa4plus.com

Key Advisers and Contact Information

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Company Overview

Amedeo Air Four Plus Limited ("**AA4**" or the "**Company**") is a Guernsey company incorporated on 16 January 2015. The Company operates under The Companies (Guernsey) Law, 2008, as amended (the "**Law**") and the Disclosure Guidance and Transparency Rules (the "**DGTRs**") of the UK's Financial Conduct Authority (the "**FCA**").

The Company's shares were first admitted to trading on the Specialist Fund Segment ("**SFS**") of the London Stock Exchange's Main Market on 13 May 2015 upon the admission of 202,000,000 redeemable ordinary shares ("**Shares**") at an issue price of 100 pence per Share. Subsequently, the Company has conducted four additional placings, resulting in the issue and admission to trading on the SFS of an additional 265,250,000 Shares at issue prices in the range of 100 pence to 104 pence.

On 5 June 2017 shareholder approval was obtained for the acquisition of four Airbus A350-900 aircraft for leasing to Thai Airways. On 13 June 2017 the Company published its latest prospectus to launch a further one year placing programme intended to raise additional equity for investment by the issue of up to a maximum of 500,000,000 Shares. The initial placing under this latest programme closed on 20 June 2017 with the issue and admission to trading on the SFS of an additional 134,650,000 Shares at an issue price of 104 pence to fund the purchase of three A350-900 aircraft for leasing to Thai Airways. On 1 November 2017 the Company announced the launch of the Second Placing to acquire a fourth Airbus A350-900 for leasing to Thai Airways. The Second Placing closed on 27 November 2017 with the issue and admission to trading on the SFS of an additional 40,350,000 Shares at an issue price of 104 pence.

As at 8 December 2017, the last practicable date prior to the publication of this report, the Company's total issued share capital was 642,250,000 Shares trading at 105.50 pence per Share.

Investment Objective and Policy

The Company's investment objective is to obtain income returns and a capital return for its Shareholders by acquiring, leasing and then selling aircraft (each an "**Asset**" and together "**Assets**").

To pursue its investment objective, the Company seeks to use the net proceeds of placings and/or other equity capital raisings, together with debt facilities (or instruments), to acquire widebody or other aircraft which will be leased to one or more major airlines.

The Company's Articles of Incorporation (the "**Articles**") provide that the Company may only acquire further aircraft with the approval of the Company's shareholders by ordinary resolution in relation to each proposed acquisition. Where such approval for a new acquisition is obtained, it is the current intention of the Board of directors of the Company (the "**Board**") to offer shareholders the opportunity to participate in any equity financing of such further acquisitions on a broadly pre-emptive basis, although other approaches to the equity financing may also be considered and pursued if the Board consider it appropriate to do so in order to diversify the funding sources of the Company.

In accordance with the investment policy, it is the Board's intention that the Company shall be grown into a larger vehicle, owning a range of widebody and other aircraft. The aim of this strategy is to diversify the risk profile of the Company's portfolio of assets and lease credits whilst maintaining its target investor returns.

The Board and its advisors, Amedeo Limited and Nimrod Capital LLP, are considering further acquisitions to be completed over the next 12 months and beyond.

Company Overview (continued)

Investment Portfolio

As at the financial reporting date the Company had fourteen wholly-owned subsidiaries as described below. Together the Company and its subsidiaries are known as the "Group".

The table below also sets out the Assets held by the Group at the reporting date:

Owner of Asset / Lessor	Manufacturer	Aircraft Type	Manufacturer's Serial Number ("MSN") and Registration	Date of Acquisition / Lease	Lessee*	Initial Lease Duration
Alpha	Airbus	A380-800	157 - A6-EEY	19-May-15	Emirates	12 years
Beta	Airbus	A380-800	164 - A6-EOB	19-May-15	Emirates	12 years
Gamma	Airbus	A380-800	187 - A6-EOM	03-Aug-15	Emirates	12 years
Delta	Airbus	A380-800	201 - A6-EOQ	27-Nov-15	Emirates	12 years
Epsilon	Airbus	A380-800	206 - A6-EOV	19-Feb-16	Emirates	12 years
Zeta	Airbus	A380-800	208 - A6-EOX	13-Apr-16	Emirates	12 years
Eta	Boeing	777-300ER	42334 - A6-EPO	28-Jul-16	Emirates	12 years
Theta	Boeing	777-300ER	42336 - A6-EPQ	19-Aug-16	Emirates	12 years
Iota	Airbus	A380-800	233 - A6-API	24-Mar-17	Ethihad	12 years
Kappa	Airbus	A380-800	237 - A6-APJ	24-May-17	Ethihad	12 years
Lambda	Airbus	A350-900	123 - HS-THF	13-Jul-17	AA4PLI/Thai	12 years
Mu	Airbus	A350-900	130 - HS-THG	31-Aug-17	AA4PLI/Thai	12 years
Nu	Airbus	A350-900	142 - HS-THH	22-Sep-17	AA4PLI/Thai	12 years

* "AA4PLI" means AA4P Leasing Ireland Limited, a wholly owned subsidiary of the Company subleasing aircraft to Thai. These aircraft are leased from Lambda, Mu and Nu respectively;

"Emirates" means Emirates Airline;

"Ethihad" means Ethihad Airways PJSC; and

"Thai" means Thai Airways International Public Company Limited.

Distribution Policy

The Company aims to provide shareholders with an attractive total return comprising income from distributions through the period of the Company's ownership of the Assets and a capital gain upon the sale, refinancing or other disposition of the Assets.

The Company receives income in the form of lease payments. Income distributions are made to shareholders quarterly, subject to compliance with applicable laws and regulations. The Company currently targets a distribution to shareholders of 2.0625 pence per Share per quarter.

There can be no guarantee that dividends will be paid to shareholders and, if dividends are paid, as to the timing and amount of any such dividend. There can also be no guarantee that the Company will, at all times, satisfy the statutory solvency test (the "Solvency Test") required to be satisfied pursuant to section 304 of the Law prior to any declaration of a dividend by the Board.

In the event that the Company is wound-up pursuant to a shareholders' resolution, shareholders may also receive a capital return from the net proceeds of a sale of the Assets.

Performance Overview

All payments by the Lessees have to date been made in accordance with the terms of the respective leases.

In accordance with the Distribution Policy, the Company declared two dividends of 2.0625 pence per Share during the period under review and one dividend of 2.0625 pence per Share was declared after the end of the reporting period. Further details of dividends declared and paid can be found on page 26.

Company Overview (continued)

Return of Capital

Following the sale of an Asset the Board may, as they deem appropriate at their absolute discretion, either return to shareholders the net capital proceeds of such sale (subject to satisfaction of the Solvency Test), or re-invest the proceeds in accordance with the Company's investment policy.

The Asset Manager regularly monitors the market valuations of the Assets and, subject to any lease obligations, will consider the most appropriate time for the sale of any one or more of the Assets. The Board will consider any recommendation from the Asset Manager as to the sale of any Asset and proceed as the Board considers appropriate.

Liquidation Resolution

Although the Company does not have a fixed life, the Articles require that the Board convene a Liquidation Proposal Meeting in 2029 or such other date as shareholders may approve by ordinary resolution.

Chairman's Statement

I am pleased to present shareholders with the Group's half year financial report covering the period from 1 April 2017 to 30 September 2017.

It has once again been a busy period for your Company with much activity raising new monies and acquiring further aircraft. On 24 May we took possession of our eighth Airbus A380 aircraft, placing it on lease to Etihad for a period of twelve years. This transaction fully deployed the last tranche of the proceeds of the January 2017 placing of 125 million shares at 104 pence.

On 29 March we announced our intention to raise further capital via a placing programme, initially targeting a total of £185 million via two tranches with a view to both increasing the size of the Company and further diversifying the risk profile with respect to aircraft model and lease counterparty. On 20 June we announced the completion of the initial placing which was significantly oversubscribed, issuing 134,650,000 shares at 104 pence to acquire the first three of four Airbus A350-900 aircraft to be leased to Thai each for a period of twelve years from delivery. We subsequently took delivery of the three A350-900 aircraft on 13 July, 31 August and 22 September, fully deploying the placing proceeds ahead of target.

A further placing of 40,350,000 Shares occurred on 27 November 2017 to raise approximately £42 million of additional equity to fund the delivery of the fourth A350-900 to be leased to Thai also for a lease term of twelve years.

On 8 December 2017 the Company had 642,250,000 shares in issue which, at the then market price of 105.50 pence equated to a market capitalisation in excess of £677 million.

The Company now has acquired eight Airbus A380 aircraft, six on lease to Emirates and two to Etihad, two Boeing 777-300ER aircraft leased to Emirates and three Airbus A350-900 aircraft leased to Thai.

The Company's Asset Manager, Amedeo Limited, continues to monitor the leases and reports regularly to the Board. Nimrod Capital LLP, the Company's Placing Agent and Corporate and Shareholder Adviser, continues to liaise between the Board and Shareholders. The increase in the overall market capitalisation of the Company following the acquisition of the latest aircraft will hopefully aid yet further liquidity in the trading of the Company's shares.

During this half year the Company has continued to declare quarterly dividends of 2.0625 pence per share, representing a yearly distribution of 8.25 pence per share and your Board are hopeful of continuing to pay such dividends for the foreseeable future.

Since its inception, in accordance with its investment policy, it has been the intention that the Company should be grown into a larger vehicle, owning a range of widebody and other aircraft which are leased to a number of different airline counterparties, using the most cost effective sources of capital. The aim of this strategy is to diversify the risk profile of the Company's portfolio of assets as well as to potentially increase its target annualised total return.

The Board is also considering further acquisitions of aircraft for leasing to a variety of major airlines over the next 12 months and beyond. If, in the view of the Board, it is in the interests of the Company to acquire any further aircraft (taking into account the maintenance of the Company's target income distributions, opportunities for capital growth, and the diversification of the Company's portfolio), the Board will seek shareholders' approval of those proposed acquisitions. The Board is also considering ways in which the process of acquiring new aircraft and raising additional capital can be made faster and less costly.

According to the International Air Transport Association ("IATA"), 2017 is on course to be another year of strong traffic growth with data for August (measured in total revenue passenger kilometres or RPKs) showing demand climbed 7.2% year on year while the load factor climbed 0.7 percentage points to 84.5%, just below the record for the month set in 2015. During H1 2017 premium passenger demand growth was stronger than economy demand in a number of markets, particularly across the Pacific and within Asia. This is consistent with the recent pick-up in global trade conditions, which tends to correlate well with premium travel demand. By contrast, premium class demand lagged behind its economy class counterpart in a number of cases, notably between Europe and the Middle East. However, margins (or yields in airline terminology) have declined with a corresponding effect on profitability. There has also been trade discussion about softening widebody markets affecting all widebody values (not only the A380). The Board keeps a close eye on this and receives regular market updates from Amedeo. The Company's long lease periods are a considerable benefit in these markets.

Over the past year Middle Eastern carriers have faced a multitude of challenges, including geo-political turbulence in various parts of the world, heightened concern about immigration on an international scale and enhanced security procedures

Chairman's Statement (continued)

impacting operations to the US. Fortunately, in the latter case, some of these headwinds are starting to ease during the period with the US laptop ban being lifted fully during July.

During the period the Company entered into three leases with a new counterparty, Thai, the national airline of Thailand with a fleet of 80 aircraft. Thai was founded in 1960 and is majority-owned (51%) by the Thai Government, as well as being listed on the Stock Exchange of Thailand, with its primary base in Bangkok Suvarnabhumi International Airport along with secondary hubs in Phuket & Chiang Mai. Thai is a founding member of Star Alliance and serves an extensive domestic and international network, flying to 63 destinations with 27 codeshare partnerships to provide a wider reach of connectivity.

Emirates and Etihad continue to perform well and are fully servicing their obligations. Further details on each operator can be found in the Company's quarterly report for Q3 along with their respective website: www.emirates.com and www.etihad.com.

Our underlying leases with respect to Emirates and Etihad include monthly lease rentals paid in US Dollars (matched in currency and amount to interest and regular principal loan repayments) and Sterling (to cover operating costs and dividend payments). In the case of Thai, the entire monthly lease rental is denominated in US Dollars.

However, the financial statements do not in the Board's view properly convey the economic reality due to the accounting treatment for foreign exchange, rental income, finance costs and residual debt. The Company is looking into alternative valuation methods so that shareholders can get a better view of the value of their investments both now and in the future.

International Financial Reporting Standards require that transactions denominated in US Dollars (including, most importantly, the cost of the aircraft) are translated into Sterling at the exchange rate ruling at the date of the transaction whilst monetary items (principally the outstanding borrowings) are translated at the rate prevailing on the reporting date. The resultant variations may sometimes produce very large mismatches and these are reported in the Consolidated Statement of Cash Flows as foreign exchange gains of £110,703,611. When viewed on a per Share basis this equates to 18.4 pence resulting in a reported NAV per Share of 100.06 pence per Share. As leases mature and debt is repaid these foreign exchange fluctuations will disappear.

On an on-going basis and assuming the lease and loan payments are made as anticipated, such exchange differences will not reflect the commercial substance of the situation in the sense that the key transactions denominated in US Dollars are in fact fairly matched. Rental income received in US Dollars is used to pay loan interest and regular capital repayments of debt (but excluding any bullet or balloon repayment of principal), which are likewise denominated in US Dollars. US Dollar lease rentals and loan repayments are furthermore fixed at the outset of the Company's life and are very similar in amount and timing save for the repayment of bullet and balloon repayments of principal due on the final maturity of a loan.

In addition to this, rental income receivable is credited evenly to the Consolidated Statement of Comprehensive Income over the planned life of each lease. Conversely, the methodology for accounting for interest costs means that the proportion of the loan repayments which is treated as interest and is debited to the Consolidated Statement of Comprehensive Income varies over the course of the loan – so that the differential between rental income and interest cost (as reported in the Consolidated Statement of Comprehensive Income) reduces over the course of the 12 year leases. In reality however, the amount of rental income is fixed so as to closely match the loan interest regular capital repayments of debt, save for the repayment of any bullet and balloon repayment of principal due on the final maturity of a loan.

I encourage shareholders to view the Company's quarterly reports which provide additional detail on the assets and operators as well as insights and emerging trends within the passenger aviation sector and, on behalf of the Board, I would like to thank our service providers for all their help and all shareholders for their continuing support of the Company.

Robin Hallam
Chairman

Asset Manager's Report

On the invitation of the Directors of the Company, the following commentary has been provided by Amedeo Limited as Asset Manager of the Company and is provided without any warranty as to its accuracy and without any liability incurred on the part of the Company, its Directors and officers and service providers.

THE ASSETS

Total Utilisation					
Aircraft Type	MSN-Registration	Acquisition Date	Flight Hours	Flight Cycles	Average Flight Duration
A380-800	MSN 157 - A6-EEY	19-May-15	13,467	2,182	6 h 10 min
A380-800	MSN 164 - A6-EOB	19-May-15	12,503	2,019	6 h 12 min
A380-800	MSN 187 - A6-EOM	3-Aug-15	11,175	1,019	10 h 58 min
A380-800	MSN 201 - A6-EOQ	27-Nov-15	7,536	1,188	6 h 21 min
A380-800	MSN 206 - A6-EOV	19-Feb-16	7,180	1,143	6 h 17 min
A380-800	MSN 208 - A6-EOX	13-Apr-16	6,193	961	6 h 27 min
777-300ER	MSN 42334 - A6-EPO	28-Jul-16	4,901	1,232	3 h 59 min
777-300ER	MSN 42336 - A6-EPQ	19-Aug-16	4,869	1,044	4 h 40 min
A380-800	MSN 233 - A6-API	24-Mar-17	2,429	263	9 h 14 min
A380-800	MSN 237 - A6-APJ	24-May-17	1,501	155	9 h 41 min
A350-900 XWB	MSN 123 - HS-THF	13-Jul-17	450	105	4 h 17 min
A350-900 XWB	MSN 130* - HS-THG	31-Aug-17	–	–	–
A350-900 XWB	MSN 142* - HS-THH	22-Sept-17	–	–	–

The utilisation figures above represent the totals for each aircraft from first flight to 31 August 2017.

All aircraft are operating normally. During the lifetime of the lease, the respective airline bears all costs of the aircraft including maintenance, repair and insurance. The aircraft are in very good condition and are maintained to a high standard. Inspections are planned for all aircraft on an annual basis in order to review aircraft physical status and compliance of records with regulatory requirements. These inspections allow the asset manager to assess the airline's ongoing maintenance operations for each aircraft and, by establishing a relationship with the airline personnel, allow the discussion of aircraft specific maintenance activities as well as provide recommendations. For the current location of the aircraft please visit www.amedeo.aero/portfolio/

2017 Forecast

- Annual growth in industry-wide passenger traffic accelerated to 7.8% year-to-date. In seasonally adjusted terms, capacity also increased by 6.0% year-to-date.
- An additional 1,850 new aircraft are expected to be delivered in 2017, of which half are targeted to replace existing older generation aircraft. The average size of aircraft is continuing to rise and fleet utilisation is increasing, creating greater efficiencies. Against the backdrop of an increase in aircraft size, aircraft seat capacity will reach about 4.2 million seats by the end of 2017. With very high load factors (over 80%) the increased passenger demand for air travel is a very positive trend.
- New destinations are forecast to rise by 4.0% this year, with city-pair connections expected to reach 19,000 in 2017.
- Airspace infrastructure costs are running high and added European airport inefficiencies will add an additional EUR 2.9 billion to airline costs next year. Airspace and airport inefficiencies waste around 5.0% of fuel burn each year. The time passengers waste in delays associated with infrastructure inefficiencies adds a consumer cost worth approximately EUR 4.9 billion.
- The hurricane season in the Gulf of Mexico, the Caribbean and southern US states has caused some volatility in oil prices with major disruptions to US airlines and airports reported in September.

Source: International Air Transport Association, 2017. 2017 Mid-year report: Economic Performance of the Airline Industry. © All Rights Reserved. Air Passenger Market Analysis (July 2017) © All Rights Reserved. International Air Transport Association, 2017. Airlines Financial Monitor (August 2017). © All Rights Reserved. Flightglobal.

Asset Manager's Report (continued)

EMIRATES GROUP: KEY FACTS FROM THE 2016-2017 ANNUAL REPORT¹

- In 2016-2017, Emirates marked its 29th consecutive year of profit, recording a profit of AED 1.250 billion (US\$ 340 million).
- Emirates carried a record 56 million passengers in 2016-2017, an additional five million passengers compared to last year, across 156 destinations and 83 countries. Introducing new destinations, increasing frequencies and utilising larger aircraft such as the A380, increased passenger numbers.
- Emirates faced a multitude of challenges in the past year, including geo-political turbulence in various parts of the world, heightened concern around immigration on an international scale, with enhanced security procedures impacting operations to the US. This has impacted Emirates bottom line; however revenue and other operating income increased slightly against last year by AED 0.2 billion to AED 85.1 billion (US\$ 23.2 billion).
- Lower fares and unfavourable currency impacts lowered yields with the deterioration of various currencies against the US\$ impacting revenue by 3%. Emirates has a very balanced and diversified revenue distribution with the contribution from each geographic region remaining under 30% of total revenue.
- Continuing the positive trend, EBITDAR was AED 21.2 billion (US\$5.8 billion), the second highest ever reported by Emirates.
- Emirates increased capacity, measured by Available Seat Kilometres (ASKs) by over 10%. Passenger load factors dropped marginally against the backdrop of some of the challenges faced by the aviation and travel industry.
- Emirates has invested heavily into its digital and technological transformation. Its mobile application is now available in 18 different languages, which has increased mobile bookings by 200%.
- Emirates took delivery of 35 widebody aircraft and retired 27, further reducing its average fleet age from 74 months to 63 months.
- Emirates SkyCargo is the world's largest cargo airline and plays a key role in Emirates' overall operations. This year, SkyCargo contributed 13% to the airlines' total transport revenue.
- Emirates launched the world's first interactive amenity kit for economy class passengers, utilising augmented reality technology in the kit bag design with customers able to scan the kit bag using their mobile devices to experience exciting content during or after their flight. Enhancing the customer experience in such a way is revolutionary in the industry and further cements Emirates' brand on the international stage.

Source: Emirates Group Annual Report 2016-2017.

ETIHAD AIRWAYS: KEY FACTS

- As of September 2017, the airline had 123 aircraft in its fleet comprising a mix of narrow and wide-body aircraft with an average age of 6.1 years. The airline has 2 freighter and 7 passenger aircraft types and also has A350 aircraft on order.
- Group wide strategic evaluation is ongoing to drive change and improve performance.
- One-off impairments on aircraft and equity investments affected the bottom-line in 2016, but revenue remains stable.
- The airline boasts an extensive global network with 112 destinations currently within its network. In 2016, the airline transported 18.5m passengers across its network, a 5.1% increase on its 2015 traffic and operated at a 79% load factor.
- From 1 July 2017, Etihad began service with an A380 on flights between Abu-Dhabi and Paris Charles De Gaulle. The service will help meet growing demand and allow the airline to operate an all-A380 route between Paris and destinations such as Melbourne and Sydney.

Source: Flightglobal. Etihad Airways. CAPA: Centre for Aviation.

¹ In relation to the Emirates Annual Report, all figures reported in USD are based on the AED/USD FX rate of 3.67.

Asset Manager's Report (continued)

MIDDLE EASTERN CARRIERS

- The embargo on Qatar by neighbouring Arab countries has impacted the carrier's access to some Middle Eastern markets and airspace. Nevertheless, Qatar have been able to quickly shift capacity to underserved markets that it could not previously accommodate. Additionally, Qatar has wet leased some aircraft to British Airways and in September 2017, completed its acquisition of a 49% stake in the parent company of the second largest Italian airline, Meridiana.
- In relation to the situation with Gulf traffic flows following the embargo on Qatar, CEO of Emirates, Sir Tim Clark added that, "people are not being deterred by what's happening" and since the recent lifting of the PED (personal electronic devices ban) on all US flights, "We've seen a lot of the business that we lost in the early part of the year, particularly in the American markets, come back to us, even though we stripped out capacity. Those flights are now completely full and we'll probably in the next six to nine months reintroduce the capacity we took out."
- Emirates have further evolved their business model through a broad partnership agreement with FlyDubai, which will allow the carrier to access new markets and increase feeder traffic to its global hub.

Source: Flightglobal, CAPA: Centre for Aviation.

THAI AIRWAYS INTERNATIONAL: KEY FACTS

- As of Q2 2017, Thai's passenger traffic increased by 21.9% compared with the same quarter last year.
- Passenger load factors are at a 10 year high at 78.5%, against the backdrop of increased capacity.
- In H1 2017, Thai's fleet utilisation increased by 4.5%.
- In Q2 2017, total revenue increased by 9.6% compared with the same quarter last year, largely due to an increase in passenger and excess baggage revenue despite a drop in yields due to price competition.

Source: CAPA: Centre for Aviation, Thai Airways International.

Disclaimer

The Asset Manager has not made and does not make any express or implied representation or warranty as to the accuracy or completeness of the information provided by it and, to the extent permitted by law neither the Company nor the Asset Manager nor their Directors or officers shall be liable for any loss or damage that anyone may suffer in reliance on such information.

Directors

Robin Hallam (age 64) (Chairman) (independent non-executive)

Until 31 December 2015, Robin Hallam was a partner and co-head of Asset Finance at international law firm Hogan Lovells LLP, where he was a partner since 1995 specialising in aircraft finance, particularly leasing, export credit and structured financing. Between January and December 2016, Robin was a consultant at Hogan Lovells LLP. He is currently a consultant at Bird & Bird LLP in their aviation finance team. He has represented financial institutions, operating lessors, investors, airlines and export credit agencies. Robin holds a degree in law from Trinity College, Cambridge, is a member of International Society of Transport Aircraft Trading ("ISTAT") and is currently ranked Band 1 for Asset Finance in Chambers UK 2015.

David Gelber (age 70) (independent non-executive)

David Gelber began his career with Citibank in London in 1974. Over the course of the next twenty years he held a variety of trading roles in foreign exchange, fixed income and derivatives at Citibank, Chemical Bank and HSBC where he was Chief Operating Officer of HSBC Global Markets. In 1994 he joined ICAP, an inter-dealer broker, as COO and oversaw two mergers and a number of acquisitions. He is currently the non-executive Chairman of Walker Crips PLC, a stock broker and wealth manager; and a non-executive director of IPGL, a holding company with investments in a number of companies. In addition he is a non-executive director of DDCAP Ltd, a leading arranger of Islamic compliant financial transactions, Exotix LLP, an investment banking boutique specialising in frontier markets and SAXO Bank Capital Markets, a provider of a multi-asset trading platform. David holds a BSc in Statistics and Law from the University of Jerusalem and an MSc in Computer Science from the University of London.

John Le Prevost (age 66) (independent non-executive)

John Le Prevost is the Chief Executive Officer of Anson Group Limited and Chairman of Anson Registrars Limited (the Company's Registrar). He has spent over forty years working in offshore fund, trust and investment businesses during which time he has been a managing director of subsidiaries in Guernsey for County NatWest, The Royal Bank of Canada and for Republic National Bank of New York. He is a Full Member of the Society of Trust and Estate Practitioners and in 1991-2 read for a law degree via distance learning and in 2009-11 read for an MBA from Southampton University via the Guernsey Training Agency. He is a director of a number of other companies associated with Anson Group's business as well as being a trustee of the Guernsey Sailing Trust. John is currently also a non-executive director of Doric Nimrod Air One Limited, Doric Nimrod Air Two Limited and Doric Nimrod Air Three Limited (each of which is an aircraft leasing investment vehicle). He is resident in Guernsey.

Laurence Barron (age 66) (independent non-executive)

Having begun his career as a commercial lawyer in Paris and then in Tokyo, where he first became involved in aircraft financing transactions, Laurence joined Airbus in 1982 as an in-house lawyer specialising in aircraft finance. He subsequently moved to the business side when, in 1984, he was appointed Sales Finance Director North America, becoming Head of Sales Finance in 1985, and then, in 1987, Vice President of Customer Finance. In 1994, he was asked to set up the Asset Management Organisation within Airbus and that year became Vice President and Head of Asset Management. Airbus Asset Management has full responsibility for all used aircraft transactions at Airbus and acts as an in-house leasing company for the used Airbus aircraft owned or controlled by the Airbus group of companies. In 2001 he was promoted to Senior Vice President of Airbus before assuming the role of President of Airbus China in 2004, with responsibility for Airbus' overall activities in the People's Republic of China. In January, 2013, Laurence was appointed Chairman of EADS China, now rebranded Airbus China. Laurence retired from salaried Airbus employment at the end of April 2016 and will remain as non-executive Chairman of Airbus China until the end of 2017. He holds an LLB from Bristol University Law Faculty.

Interim Management Report

A description of important events that have occurred during the period under review (the "Period"), their impact on the financial statements and a description of the principal risks and uncertainties facing the Group, together with an indication of important events that have occurred since the end of the Period and are likely to affect the Group's likely future development are included in the Company Overview, the Chairman's Statement, the Asset Manager's Report and the notes to the consolidated financial statements contained on pages 19 to 42 and are incorporated herein by reference.

There were no events or changes in the related parties and transactions with those parties during the Period which had or could have had a material impact on the financial position and performance of the Group, other than those disclosed in this consolidated half-yearly financial report.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Group are unchanged from those disclosed in the Group's annual financial report for the year ended 31 March, 2017.

Going Concern

The Group's principal activities are set out within the Company Overview on 5 to 7. The financial position of the Group is set out on page 16. In addition, Note 17 to the consolidated financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit risk and liquidity risk.

The fixed rental income under the relevant leases means that the rents received should be sufficient to meet the loan interest and regular capital repayments of debt scheduled during the life of each lease and provide surplus income to pay for the Group's expenses and finance payments of dividends. Where balloon and bullet repayments of debt exist, these are expected to be financed out of the disposal proceeds of the relevant aircraft. Declarations of dividends may need to be suspended if the Board considers that the Company will not be able to repay any balloon and bullet repayments of debt falling due through the sale, refinancing or other disposition of an Asset.

After making reasonable enquiries, and as described above the Directors have a reasonable expectation that the Group has adequate resources to continue in its operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Responsibility Statement

The Directors jointly and severally confirm that to the best of their knowledge:

- (a) the consolidated financial statements, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- (b) this interim management report (including the information incorporated by reference) includes a fair review of:
 - i. the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that the Group faces for the next six months; and
 - ii. the Company's related party transactions and changes therein.

John Le Prevost
Director

Consolidated Statement of Comprehensive Income

for the period from 1 April to 30 September 2017

	Notes	1 Apr 2017 to 30 Sep 2017 GBP	1 Apr 2016 to 30 Sep 2016 GBP
Income			
US Dollar based rent income	4	79,019,443	46,848,292
British Pound based rent income	4	21,997,802	15,782,557
Bank interest received		225,967	22,233
		101,243,212	62,653,082
Expenses			
Operating expenses	5	(2,932,130)	(2,054,782)
Depreciation of Aircraft	9	(39,262,818)	(25,966,905)
		(42,194,948)	(28,021,687)
Net profit for the period before finance costs and foreign exchange gains/(losses)		59,048,264	34,631,395
Finance costs			
Finance costs	10	(27,058,128)	(18,855,084)
Unrealised foreign exchange gains/ (losses)	17(b)	110,703,611	(83,113,104)
Income tax expense	2(c)	(8,024)	–
Gain/ (Loss) for the period		142,685,723	(67,336,793)
Other Comprehensive Income			
Translation adjustment on foreign currency	2(h)	(81,831)	–
Total Comprehensive Gain/ (Loss) for the period		142,603,892	(67,336,793)
Earnings/ (Loss) per Share for the period - Basic and Diluted			
	8	26.40	(26.21)

In arriving at the results for the financial period, all amounts above relate to continuing operations.

The notes on pages 19 to 42 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at 30 September 2017

	Notes	30 Sep 2017 GBP	31 March 2017 GBP
NON-CURRENT ASSETS			
Aircraft	9	2,183,129,688	1,567,884,368
Financial assets at fair value through profit and loss	16	17,224,000	15,255,000
		2,200,353,688	1,583,139,368
CURRENT ASSETS			
Accrued income		15,703,000	15,610,085
Receivables	12	221,901	1,099,945
Cash and cash equivalents		43,488,238	82,685,031
		59,413,139	99,395,061
TOTAL ASSETS		2,259,766,827	1,682,534,429
CURRENT LIABILITIES			
Payables	13	11,068,530	310,615
Deferred income		36,943,625	19,772,871
Borrowings and <i>Ijarah</i> financing	14	103,858,345	81,539,286
		151,870,500	101,622,772
NON-CURRENT LIABILITIES			
Borrowings and <i>Ijarah</i> financing	14	1,496,427,627	1,212,569,894
Deferred income		9,203,054	25,005,030
		1,505,630,681	1,237,574,924
TOTAL LIABILITIES		1,657,501,181	1,339,197,696
TOTAL NET ASSETS		602,265,646	343,336,733
EQUITY			
Share Capital	15	606,265,419	467,889,180
Foreign Currency Translation Reserve		(81,831)	–
Retained Earnings		(3,917,942)	(124,552,447)
		602,265,646	343,336,733
		Pence	Pence
Net Asset Value Per Share based on 601,900,000 (2016: 467,250,000) shares in issue		100.06	73.48

The financial statements were approved by the Board of Directors and authorised for issue on 12 December, 2017 and are signed on its behalf by:

John Le Prevost, Director

The notes on pages 19 to 42 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the period from 1 April to 30 September 2017

	Notes	1 Apr 2017 to 30 Sep 2017 GBP	1 Apr 2016 to 30 Sep 2016 GBP
OPERATING ACTIVITIES			
Gain/(loss) for the period		142,685,723	(67,336,793)
Movement in accrued and deferred income		47,036	(8,929,799)
Interest received		(225,967)	(22,233)
Depreciation of Aircraft	9	39,262,818	25,966,905
Taxation expense		8,024	–
Loan and <i>Ijarah</i> financing interest payable	10	26,375,844	18,436,230
Increase in payables		1,034,690	163,754
Decrease/(increase) in receivables		878,044	(122,756)
Foreign exchange movement		(110,703,611)	83,113,104
Amortisation of debt arrangement costs	10	682,284	418,854
NET CASH FROM OPERATING ACTIVITIES		100,044,885	51,687,266
INVESTING ACTIVITIES			
Purchase of Aircraft	9	(654,273,079)	(478,607,261)
Security deposit received		9,715,201	–
Interest received		225,967	22,233
NET CASH USED IN INVESTING ACTIVITIES		(644,331,911)	(478,585,028)
FINANCING ACTIVITIES			
Advanced rental received		–	16,936,059
Dividends paid	7	(22,051,218)	(13,287,656)
Repayments of capital on senior loans and <i>Ijarah</i> financing		(42,678,759)	(22,652,303)
Payments of interest on senior loans and <i>Ijarah</i> financing		(21,392,890)	(11,443,701)
Payments of interest on junior loans		(5,783,707)	(3,905,529)
Security trustee and agency fees		(110,786)	(68,633)
Share issue proceeds	15	140,036,000	41,055,000
Share issue costs	15	(1,659,761)	(833,527)
New debt raised on senior loans and <i>Ijarah</i> financing		464,692,468	311,593,054
New debt raised on junior loans		–	63,039,955
Costs associated with debt issued		(6,285,520)	(4,065,782)
NET CASH FROM FINANCING ACTIVITIES		504,765,827	376,366,937
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		82,685,031	64,625,569
Increase in cash and cash equivalents		(39,521,199)	(50,530,825)
Exchange rate adjustment		324,406	2,587,721
CASH AND CASH EQUIVALENTS AT END OF PERIOD		43,488,238	16,682,465

The notes on pages 19 to 42 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the period from 1 April to 30 September 2017

	Notes	Share Capital GBP	Retained Earnings GBP	Foreign Currency Translation Reserve GBP	Total GBP
Balance as at 1 April 2017		467,889,180	(124,552,447)	–	343,336,733
Total Comprehensive Income for the period		–	142,685,723	(81,831)	142,603,892
Share issue proceeds	15	140,036,000	–	–	140,036,000
Share issue costs	15	(1,659,761)	–	–	(1,659,761)
Dividends paid	7	–	(22,051,218)	–	(22,051,218)
Balance as at 30 September 2017		606,265,419	(3,917,942)	(81,831)	602,265,646

	Notes	Share Capital GBP	Retained Earnings GBP	Total GBP
Balance as at 1 April 2016		299,039,573	(37,133,002)	261,906,571
Total Comprehensive Loss for the period		–	(67,336,793)	(67,336,793)
Share issue proceeds	15	41,055,000	–	41,055,000
Share issue costs	15	(833,527)	–	(833,527)
Dividends paid	7	–	(13,287,656)	(13,287,656)
Balance as at 30 September 2016		339,261,046	(117,757,451)	221,503,595

The notes on pages 19 to 42 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the period ended 30 September 2017

1. GENERAL INFORMATION

The consolidated financial information incorporates the results of Amedeo Air Four Plus Limited (the "Company"), AA4P Alpha Limited, AA4P Beta Limited, AA4P Gamma Limited, AA4P Delta Limited, AA4P Epsilon Limited, AA4P Zeta Limited, AA4P Eta Limited, AA4P Theta Limited, AA4P Iota Limited, AA4P Kappa Limited, AA4P Lambda Limited, AA4P Mu Limited, AA4P Nu Limited and AA4P Leasing Ireland Limited (each a "Subsidiary" and together the "Subsidiaries") (together the Company and the Subsidiaries are known as the "Group").

The Company was incorporated in Guernsey on 16 January 2015 with registered number 59675. Its share capital consists of one class of Redeemable Ordinary Shares ("Shares"). The Shares are listed on the Specialist Fund Segment ("SFS") of the London Stock Exchange's Main Market.

The Company's investment objective is to obtain income returns and a capital return for its Shareholders by acquiring, leasing and then selling aircraft.

Since the completion of its initial public offering on 13 May 2015, the Company has acquired eight Airbus A380, two Boeing 777-300ER and three Airbus A350-900 aircraft. Eight of these aircrafts are leased to Emirates, two aircraft are leased to Etihad and three aircraft are leased to Thai Airways. All aircraft are leased for a period of 12 years from each respective delivery date. In order to complete the purchase of these aircraft, subsidiaries of the Company entered into debt financing arrangements which together with the equity proceeds were used to finance the acquisition of the thirteen aircraft.

In the current period, the Company acquired its eighth A380 aircraft on 24 May 2017 which was leased to Etihad Airways on a 12 year lease. On 13 July 2017, 31 August 2017 and 22 September 2017 the Company acquired its first three A350-900 aircraft which were leased to Thai Airways on 12 year leases (see note 9).

The Company Overview on pages 5 to 7 and note 15 Share Capital provides information in relation to the issue of Shares during the period to raise proceeds for the acquisition of the initial three A350-900 aircraft. The Company used the equity proceeds, in addition to the finance agreements, to finance the acquisition of these aircraft. Furthermore, the Company Overview on pages 5 to 7 and note 19 *Subsequent Events* provides information in relation to the placing of new shares after period end to raise proceeds for the acquisition of the fourth Airbus A350-900 aircraft.

Rental income received in US Dollars is used to pay loan interest and regular capital repayments of debt (but excluding any bullet or balloon repayment of principal), which are likewise denominated in US Dollars. US Dollar lease rentals and loan repayments are furthermore fixed at the outset of the Company's acquisition of an aircraft and are very similar in amount and timing save for the repayment of bullet and balloon repayments of principal due on the final maturity of a loan to be paid out of the proceeds of the sale, re-lease, refinancing or other disposition of the relevant aircraft.

2. ACCOUNTING POLICIES

The significant accounting policies adopted by the Group are as follows:

(a) Basis of preparation

The consolidated financial information has been prepared in conformity with International Accounting Standard IAS 34 Interim Financial Reporting, as adopted by the European Union, and applicable Guernsey law. The financial information has been prepared on historical cost basis under International Financial Reporting Standards.

This report is to be read in conjunction with the annual report for the period ended 31 March 2017 which was prepared in accordance with the International Financial Reporting Standards adopted by the European Union and any public announcements made by the Company during the half-yearly reporting period.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

2. ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

The comparative period for the Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and the related notes was from 1 April 2016 to 30 September 2016. The accounting policies adopted are consistent with those of the previous financial period and corresponding half-yearly reporting period, except for the new accounting policy in respect of *Ijarah* financing (note 2(p)) and the adoption of new and amended standards as set out below:

Changes in accounting policies and disclosure

The following Standards or Interpretations that are expected to affect the Group have been issued but not yet adopted by the Group as shown below. Other Standards or Interpretations issued by the IASB and IFRIC are not expected to affect the Group.

IAS 7 Statement of Cash Flows - amendments resulting from the disclosure initiative effective for annual periods beginning on or after 1 January 2017 (and was endorsement by the EU in November 2017). The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The Group is not required to provide additional disclosures in its consolidated half yearly financial statements, but will disclose additional information in its annual consolidated financial statements for the year ended 31 March 2018.

IFRS 9 Financial Instruments - finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition. There is no mandatory effective date, however the IASB has tentatively proposed that this will be effective for accounting periods commencing on or after 1 January 2018 and has been endorsed by the EU.

IFRS 15 Revenue from contracts with customers - deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations (and has been endorsed by the EU) and is effective for a period beginning on or after 1 January 2018.

IFRS 16 Leases - specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 (EU endorsement is outstanding) and is effective for annual periods beginning on or after 1 January 2019.

The Directors have considered the above and are of the opinion that the above Standards and Interpretations are not expected to have an impact on the Group's financial information except for the presentation of additional disclosures and changes to the presentation of components of the financial information. These items will be applied in the first financial period for which they are required.

(b) Basis of consolidation

The consolidated financial information incorporates the results of the Company and the Subsidiaries. The Company owns 100% of all the shares in the Subsidiaries and has the power to govern the financial and operating policies of the Subsidiaries so as to obtain benefits from their activities.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial information.

(c) Taxation

The Company and the Guernsey Subsidiaries have been assessed for tax at the Guernsey standard rate of 0%. Since AA4P Leasing Ireland Limited is an Irish tax resident trading Company, it will not be subject to Guernsey tax, but its net lease rental income earned (after tax deductible expenditure) will be taxable as trading income at 12.5% under Irish tax regulations.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

2. ACCOUNTING POLICIES (continued)

(d) Share capital

Shares are classified as equity. Incremental costs directly attributable to the issue of Shares are recognised as a deduction from equity.

(e) Expenses

All expenses are accounted for on an accruals basis.

(f) Interest Income

Interest income is accounted for on an accruals basis.

(g) Foreign currency translation

The currency of the primary economic environment in which the Group operates (the functional currency) is Great British Pounds ("GBP") which is also the presentation currency.

Transactions denominated in foreign currencies are translated into GBP at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Consolidated Statement of Comprehensive Income.

(h) Foreign currency translation reserve

The financial statements of each consolidated Group company are prepared in its functional currency. The functional currency is the currency of the principal economic environment in which it operates, and is generally the local currency.

At the 30 September 2017 period end, the Group had one foreign subsidiary, being AA4P Leasing Ireland Limited, with a functional currency of US Dollars.

The financial statements of foreign subsidiaries whose functional currency is not GBP are translated into GBP as follows: statement of financial position items are translated into GBP at the period end exchange rate; statement of income items are translated into GBP at the exchange rates applicable at the transaction dates, as long as this is not rendered inappropriate as a basis for translation by major fluctuations in the exchange rate during the period; unrealized gains and losses arising from the translation of the financial statements of foreign subsidiaries are recorded under "Translation adjustment" in other comprehensive income to be recycled to income.

(i) Cash and cash equivalents

Cash at bank and short term deposits which are held to maturity are carried at cost. Cash and cash equivalents are defined as call deposits, short term deposits with a term of no more than three months from the start of the deposit and highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

(j) Segmental reporting

The Directors are of the opinion that the Group is engaged in a single segment of business, being acquiring, leasing and selling aircraft (together the "Assets" and each an "Asset").

(k) Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors believe the Group is well placed to manage its business risks successfully despite the current economic climate as the loans have been fixed and the fixed rental income under the operating leases means that the rents should be sufficient to repay the debt and provide surplus income to pay for the Group's expenses and permit payment of dividends. Accordingly, the Directors have adopted the going concern basis in preparing the consolidated financial information. The Directors are not aware of any material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

2. ACCOUNTING POLICIES (continued)

(l) Leasing and rental income

The leases relating to the Assets have been classified as operating leases as the terms of the leases do not transfer substantially all the risks and rewards of ownership to the lessee. The Assets are shown as non-current assets in the Consolidated Statement of Financial Position. Further details of the leases are given in Note 11.

Rental income and advance lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased Asset and amortised on a straight-line basis over the lease term.

The deferred income liability represents the difference between actual payments received in respect of the lease income (including some received in full upfront) and the amount to be accounted for in the accounting records on a straight line basis over the lease terms. This liability will reduce over time as the leases continue and approach the end of the lease terms. In addition to the timing of receipt of the various rental income streams, the liability is impacted by the USD/GBP exchange rate at period end and any new leases entered into from new aircraft acquisitions during the period.

(m) Property, plant and equipment – Aircraft

In line with IAS 16 Property Plant and Equipment, the Assets are initially recorded at the fair value of the consideration paid. The cost of the Asset is made up of the purchase price of the Assets plus any costs directly attributable to bringing it into working condition for its intended use. Costs incurred by the lessee in maintaining, repairing or enhancing the aircraft are not recognised as they do not form part of the cost to the Company. Accumulated depreciation and any recognised impairment losses are deducted from cost to calculate the carrying amount of the Assets.

Depreciation is recognised so as to write off the cost of each Asset less the estimated residual value over the lease term of the Asset of 12 years, using the straight line method. As at 31 March 2017, the estimated residual value of the thirteen Assets range from £55.4 million to £112.0 million. Residual values have been arrived at by taking the average amount of three independent external valuers and after taking into account disposition fees. The depreciation method reflects the pattern of benefit consumption. The residual value is reviewed annually in March and is an estimate of the fair amount the entity would receive currently if the Asset were already of the age and condition at the end of the lease.

Depreciation starts when the Asset is available for use. At each audited Consolidated Statement of Financial Position date, the Group reviews the carrying amounts of its Assets to determine whether there is any indication that those Assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the Asset is estimated to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the Asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an Asset is estimated to be less than its carrying amount, the carrying amount of the Asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the Asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the Asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(n) Financial assets and financial liabilities at fair value through profit or loss

(a) Classification

The Group classifies its derivatives i.e. the interest rate swaps, as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are designated by the Directors at fair value through profit or loss at inception. The Group does not classify any derivatives as hedges in a hedging relationship.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

2. ACCOUNTING POLICIES (continued)

(n) Financial assets and financial liabilities at fair value through profit or loss (continued)

(b) Recognition/derecognition

Financial assets or liabilities are recognised on the trade date – the date on which the Group commits to enter into the transactions. Financial assets or liabilities are derecognised when the rights to receive cash flows from the investments have expired or the Group has transferred substantially all risks and rewards of ownership.

(c) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Consolidated Statement of Comprehensive Income. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Consolidated Statement of Comprehensive Income in the period in which they arise.

(o) Financial liabilities

Financial liabilities consist of payables and borrowings. The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. All financial liabilities are initially measured at fair value, net of transaction costs. All financial liabilities are recorded on the date on which the Group becomes party to the contractual requirements of the financial liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of the financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Associated costs are subsequently amortised on a straight line basis over the life of the lease.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

(p) *Ijarah* financing

Ijarah financing, where the Group has substantially all the risks and rewards of ownership, are included within Borrowings and *Ijarah* financing (notes 9 and 14). The *Ijarah* finance is capitalised at inception at the fair value of the aircraft or, if lower, the present value of the minimum payments. The corresponding rental obligations, net of finance charges, are included in short-term and long-term borrowings and *Ijarah* financing. Each payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The Asset acquired under *Ijarah* financing is depreciated over the Asset's useful life or over the shorter of the Asset's useful life and the term if there is no reasonable certainty that the Group will obtain ownership at the end of the finance term.

(q) Net Asset Value

In circumstances where the Directors are of the opinion that the net asset value ("NAV") or NAV per Share, as calculated under prevailing accounting standards, is not appropriate or could give rise to a misleading calculation, the Directors, in consultation with the Administrator may determine, at their discretion, an alternative method for calculating the value of the Group and shares in the capital of the Company, which they consider more accurately reflects the value of the Group. Please refer to the Chairman's Statement on pages 8 to 9 for more information.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the 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.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements and estimates that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial information.

KEY SOURCES OF ESTIMATION UNCERTAINTY

Residual value of Assets

As described in note 2 (m), the Group depreciates the Assets on a straight line basis over the term of the lease after taking into consideration the estimated residual value. IAS 16 Property, Plant and Equipment requires residual value to be determined as an estimate of the amount that the Group would currently obtain from disposal of the Asset, after deducting the estimated costs of disposal, if it were of the age and condition expected at the end of the lease.

There are currently no A380 or A350 aircraft of a similar type of sufficient age for the Directors to make a direct market comparison in making this estimation. After consulting with the Asset Manager, the Directors have concluded that a forecast market value (determined annually) for the A380 and A350 aircraft at the end of the lease (including inflationary effects) best approximates residual value. In relation to the Boeing 777-300ER aircraft residual values, there is minimum to no public secondary market trading data available. In estimating residual value at the 31 March 2017 audited annual year end, the Directors have made reference to forecast market values for the aircraft obtained from three independent expert aircraft valuers. The Asset Manager confirmed in the year ending 31 March 2017 that it had no reason to question the methodology used to determine the residual value at the 31 March 2017 year end and that they did not believe there had been a fundamental movement in US dollar terms in the anticipated residual values of the aircrafts since they were acquired. However, an adjustment was made to residual values due to foreign exchange movements over the year ending 31 March 2017.

The estimation of residual value remains subject to uncertainty. If the estimate of residual value had been decreased by 20% with effect from the beginning of this period, the net profit for the period and closing shareholders' equity would have been decreased by approximately £9.4 million (30 September 2016: £4.9 million). An increase in residual value by 20% would have had an equal but opposite effect. This reflects the range of estimates of residual value that the Directors believe would be reasonable at this time.

CRITICAL ACCOUNTING JUDGEMENTS

Operating lease commitments - Group as lessor

The Group had entered into operating leases with its lessees on thirteen Assets as at period end (see note 11). The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these Assets and accounts for the contracts as operating leases.

The Group has determined that the operating leases on the Assets are for 12 years.

Impairment

As described in Note 2(m), an impairment loss exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The Directors review the carrying amounts of its Assets at each audited Consolidated Statement of Financial Position date and monitor the Assets for any indications of impairment as required by IAS 16 Property, Plant and Equipment and IAS 36 Impairment of Assets.

The Group has determined that there is no indication of an impairment loss for the 1 April 2017 to 30 September 2017 period (none for the 1 April 2016 to 30 September 2016 period).

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

4. RENTAL INCOME

	1 Apr 2017 to 30 Sep 2017 GBP	1 Apr 2016 to 30 Sep 2016 GBP
US Dollar based rent income	78,764,318	37,485,788
Revenue earned but not yet received	2,527,392	7,801,447
Revenue received but not yet earned	(4,154,266)	(68,825)
	77,137,444	45,218,410
British Pound based rent income	22,299,963	16,215,262
Revenue earned but not yet received	75,002	48,367
Revenue received but not yet earned	(377,163)	(481,072)
	21,997,802	15,782,557
Amortisation of advance rental income	1,881,999	1,629,882
Total rental income	101,017,245	62,630,849

Rental income is derived from the leasing of the Assets. US Dollar based rent represents rent received in US Dollars ("USD") and British Pound based rent represents rent received in GBP. Rental income received in USD is translated into the functional currency (GBP) at the date of the transaction.

An adjustment has been made to spread the actual total income receivable over the term of the lease on an annual basis. In addition, advance rentals received have also been spread over the full term of the leases.

5. OPERATING EXPENSES

	1 Apr 2017 to 30 Sep 2017 GBP	1 Apr 2016 to 30 Sep 2016 GBP
Corporate and shareholder adviser fee	971,807	763,299
Asset management fee	1,404,611	948,577
Administration fees	227,423	84,857
Bank interest & charges	1,548	3,351
Registrars fee	11,036	11,046
Audit fee	41,250	14,500
Directors' remuneration	164,500	100,500
Directors' and Officers' insurance	22,107	9,470
Public offering insurance	–	1,539
Legal & professional expenses	38,943	29,229
Annual fees	6,311	5,936
Travel costs	(251)	2,526
Sundry costs	35,206	73,794
Other operating expenses	7,639	6,108
	2,932,130	2,054,782

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

6. DIRECTORS' REMUNERATION

Under their terms of appointment, each Director is paid a fee of £60,000 per annum (1 April 2016 to 30 September 2016: £55,000 per annum) by the Company, except for the Chairman, who receives £65,000 per annum (1 April 2016 to 30 September 2016: £60,000 per annum). The Chairman of the audit committee also receives an extra £4,000 per annum (1 April 2016 to 30 September 2016: £4,000 per annum). In addition, each Director was paid a documentation and diligence fee at the admission of the new shares issued in June 2017 (as per note 15 and 19) of £10,000.

7. DIVIDENDS IN RESPECT OF SHARES

	1 Apr 2016 to 30 Sep 2017	
	GBP	Pence per Share
First interim dividend	9,637,030	2.0625
Second interim dividend	12,414,188	2.0625
	22,051,218	4.1250

	1 Apr 2016 to 30 Sep 2016	
	GBP	Pence per Share
First interim dividend	6,228,750	2.0625
Second interim dividend	7,058,906	2.0625
	13,287,656	4.1250

8. EARNINGS/(LOSS) PER SHARE

Earnings (Loss) per Share ('EPS') is based on the Total Comprehensive Income for the period of £142,603,892 and 540,093,443 Shares (30 September 2016: loss of (£67,336,793) and 256,960,969 Shares) being the weighted average number of Shares in issue during the period.

There are no dilutive instruments and therefore basic and diluted Earnings per Share are identical.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

9. PROPERTY, PLANT AND EQUIPMENT - AIRCRAFT

	Alpha MSN157 GBP	Beta MSN164 GBP	Gamma MSN187 GBP	Delta MSN201 GBP	Epsilon MSN206 GBP	Zeta MSN208 GBP	Era MSN42334 GBP
COST							
Aircraft purchases as at 1 April 2017	171,856,678	171,856,677	190,228,013	187,622,150	190,182,580	207,747,241	134,542,706
Acquisition costs as at 1 April 2017	634,440	634,471	719,628	720,932	888,696	756,344	476,466
Additions- aircraft	-	-	-	-	-	-	-
Additions- acquisition costs	-	-	-	-	-	-	-
As at 30 September 2017	172,491,118	172,491,148	190,947,641	188,343,082	191,071,276	208,503,585	135,019,172
ACCUMULATED DEPRECIATION AND AMORTISATION							
As at 1 April 2017	11,904,328	11,628,633	11,948,791	9,479,665	8,004,632	8,149,863	4,503,743
Depreciation charge for the period	2,869,021	2,785,803	3,212,062	3,276,977	3,496,458	4,205,423	3,269,897
Amortisation of acquisition costs	30,481	30,010	31,794	30,984	34,626	31,579	19,894
Net depreciation charge	2,899,502	2,815,813	3,243,856	3,307,961	3,531,084	4,237,002	3,289,791
As at 30 September 2017	14,803,830	14,444,446	15,192,647	12,787,626	11,535,716	12,386,865	7,793,534
Carrying amount as at 31 March 2017	160,586,790	160,862,515	178,998,850	178,863,417	183,066,644	200,353,722	130,515,429
Carrying amount as at 30 September 2017	157,687,288	158,046,702	175,754,994	175,555,456	179,535,560	196,116,720	127,225,638

The cost in USD and the exchange rates at acquisition for each aircraft were as follows:

	Alpha MSN157	Beta MSN164	Gamma MSN187	Delta MSN201	Epsilon MSN206	Zeta MSN208	Era MSN42334
	\$264,773,865	\$264,773,913	\$293,104,628	\$289,106,630	\$289,243,699	\$289,048,520	\$178,630,365
	1.5350	1.5350	1.5350	1.5350	1.5138	1.3863	1.3230

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

9. PROPERTY, PLANT AND EQUIPMENT – AIRCRAFT (continued)

	Thera MSN42336 GBP	Iota MSN233 GBP	Kappa MSN237 GBP	Lambda MSN123 GBP	Mu MSN130 GBP	Nu MSN142 GBP	Total GBP
COST							
Aircraft purchases as at 1 April 2017	134,542,706	243,102,962	–	–	–	–	1,638,082,424
Acquisition costs as at 1 April 2017	474,675	1,090,530	–	–	–	–	–
Additions- aircraft	–	–	244,030,078	135,571,845	135,571,845	135,571,845	650,745,613
Additions- acquisition costs	–	–	855,462	890,668	890,668	890,668	3,527,466
As at 30 September 2017	135,017,381	244,193,491	244,885,540	136,462,513	136,462,513	136,462,513	2,292,355,503
ACCUMULATED DEPRECIATION AND AMORTISATION							
As at 1 April 2017	4,099,097	244,245	–	–	–	–	69,962,997
Depreciation charge for the period	3,242,789	6,524,472	4,520,258	1,027,984	405,772	101,040	38,937,956
Amortisation of acquisition costs	19,809	45,511	25,178	16,460	6,503	2,032	324,862
Net depreciation charge	3,262,599	6,569,983	4,545,436	1,044,444	412,275	103,072	39,262,818
As at 30 September 2017	7,361,696	6,814,228	4,545,436	1,044,444	412,275	103,072	109,225,815
Carrying amount as at 31 March 2017	130,918,284	243,718,717	–	–	–	–	1,567,884,368
Carrying amount as at 30 September 2017	127,655,685	237,379,262	240,340,104	135,418,069	136,050,238	136,359,441	2,183,129,688

The cost in USD and the exchange rates at acquisition for each aircraft were as follows:

	Thera MSN42336	Iota MSN233	Kappa MSN237	Lambda MSN123	Mu MSN130	Nu MSN142
	\$178,627,995	\$300,245,217	\$301,380,634	\$173,129,990	\$173,129,990	\$173,129,990
	1.3230	1.2307	1.2307	1.2687	1.2687	1.2687

The Group acquired its eighth Airbus A380 on 24 May 2017 (being MSN 237 under *Ijarah* financing as detailed in note 14) and three A350-900 aircrafts on 13 July 2017, 31 August 2017 and 22 September 2017 respectively. In order to complete the purchases of the aircraft, subsidiaries of the Company have entered into debt financing agreements with a senior fully amortising loan (see note 14). The Company used the equity proceeds (see note 15) in addition to the finance agreements to finance the acquisition of the aircraft. Rentals under each lease are sufficient to pay the senior loan payment (being capital and interest including the Kappa *Ijarah* finance as detailed in note 14, except for the Lambda, Mu and Nu loans which have balloon capital payments on maturity) and junior loan payment due (being interest only, except for the Iota B1 Junior loan which has capital and interest), also in US Dollars (as detailed in note 14). Junior loan principal (except for the B1 Junior loan in Iota) and the senior loan capital at maturity for Lambda, Mu and Nu, will be repaid at lease expiry out of the proceeds of the sale, re-lease, refinancing or other disposition of the relevant Asset.

The Group can sell the Assets during the term of the leases (with the lease attached and in accordance with the terms of the transfer provisions contained therein).

Under IAS 17 the direct costs attributed in negotiating and arranging the operating leases have been added to the carrying amount of the leased Asset and recognised as an expense over the lease term.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

10. FINANCE COSTS

	1 April 2017 to 30 Sep 2017 GBP	1 Apr 2016 to 30 Sep 2016 GBP
Amortisation of debt arrangements costs	682,284	418,854
Interest payable on loans and costs of <i>Ijarah</i> financing	28,234,058	18,367,597
Security trustee and agency fees	110,786	68,633
Fair value adjustment on financial assets at fair value through profit and loss (see note 16)	(1,969,000)	–
	27,058,128	18,855,084

11. OPERATING LEASES

The amounts of minimum lease receipts at the reporting date under non cancellable operating leases are detailed below:

30 Sep 2017	Next 12 Months GBP	2 to 5 Years GBP	After 5 Years GBP	Total GBP
US Dollar based rent income	181,351,114	724,752,885	956,181,043	1,862,285,042
British Pound based rent income	27,407,813	122,306,297	158,135,456	307,849,566
	208,758,927	847,059,182	1,114,316,499	2,170,134,608

30 Sep 2016	Next 12 Months GBP	2 to 5 Years GBP	After 5 Years GBP	Total GBP
US Dollar based rent income	110,634,708	442,575,221	722,814,488	1,276,024,417
British Pound based rent income	34,668,972	138,675,888	205,539,202	378,884,062
	145,303,680	581,251,109	928,353,690	1,654,908,479

The terms of the operating lease are as follows;

Alpha (MSN157) - term of the lease is for 12 years ending September 2026.

Beta (MSN164) - term of the lease is for 12 years ending November 2026.

Gamma (MSN187) - term of the lease is for 12 years ending August 2027.

Delta (MSN201) - term of the lease is for 12 years ending December 2027.

Epsilon (MSN206) - term of the lease is for 12 years ending February 2028.

Zeta (MSN208) - term of the lease is for 12 years ending April 2028.

Eta (MSN42334) - term of the lease is for 12 years ending July 2028.

Theta (MSN42336) - term of the lease is for 12 years ending August 2028.

Iota (MSN233) - term of the lease is for 12 years ending March 2029.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

11. OPERATING LEASES (continued)

New leases entered into during the current period:

Kappa (MSN237) - term of the lease is for 12 years ending March 2029.

Lambda (MSN123) - term of the lease is for 12 years ending July 2029.

Mu (MSN130) - term of the lease is for 12 years ending August 2029.

Nu (MSN142) - term of the lease is for 12 years ending September 2029.

At the end of each lease the lessee has the right to exercise an option to purchase the Asset if the Company chooses to sell the Asset. If a purchase option event occurs the Company and the lessee will be required to arrange for a current market value appraisal of the Asset to be carried out by three independent appraisers. The purchase price will be equal to the average valuation of those three appraisals.

12. RECEIVABLES

	30 Sep 2017 GBP	31 Mar 2017 GBP
Prepayments	219,481	1,017,207
Accrued interest	–	82,738
VAT receivable	2,420	–
	221,901	1,099,945

The above carrying value of receivables is equivalent to the fair value.

13. PAYABLES (amounts falling due within one year)

	30 Sep 2017 GBP	31 Mar 2017 GBP
Accrued administration fees	72,612	30,093
Accrued audit fee	26,250	27,000
Accrued directors' remuneration	–	597
Accrued legal fees	479,111	250,060
Accrued registrar fee	762	800
Other accrued expenses	258,086	2,065
Security deposit liability	9,715,201	–
Taxation payable	8,024	–
Maintenance reserve liability	508,484	–
	11,068,530	310,615

The above carrying value of payables is equivalent to the fair value.

The Security deposit and Maintenance reserve liabilities are held in relation to funds received at the period end for the timely and faithful performance of the lessees' obligations under the lease agreements for Lambda, Mu and Nu. These funds are contractually bound to be repaid if not utilised.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

14. BORROWINGS AND IJARAH FINANCING

	30 Sep 2017 GBP	31 Mar 2017 GBP
Borrowings		
Bank loans	1,451,362,001	1,306,909,182
Associated costs	(16,346,503)	(12,800,002)
	1,435,015,498	1,294,109,180
Ijarah financing		
Finance liability	167,092,145	–
Associated costs	(1,821,671)	–
	165,270,474	–
Total borrowings and Ijarah financing	1,618,454,146	1,306,909,182
Total associated costs	(18,168,174)	(12,800,002)
	1,600,285,972	1,294,109,180

Consisting of:	30 Sep 2017 GBP	31 Mar 2017 GBP
Senior loans (\$1,604,456,459 at 30 Sept 2017, \$1,303,562,712 at 31 March 2017)	1,197,534,303	1,038,695,387
Ijarah finance (\$221,429,381 at 30 Sept 2017, \$Nil at 31 March 2017)	165,270,474	1,038,695,387
Junior loans (\$318,177,305 at 30 Sept 2017, \$320,544,310 at 31 March 2017)	237,481,195	255,413,793
	1,600,285,972	1,294,109,180
Borrowings		
Non-current portion	1,342,322,938	1,212,569,894
Current portion (senior loans only)	92,692,560	81,539,286
	1,435,015,498	1,294,109,180
Ijarah financing		
Non-current portion	154,104,689	–
Current portion (senior loans only)	11,165,785	–
	165,270,474	–
Total Borrowings and Ijarah financing		
Non-current portion	1,496,427,627	1,212,569,894
Current portion (senior loans only)	103,858,345	81,539,286
	1,600,285,972	1,294,109,180

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

14. BORROWINGS AND IJARAH FINANCING (continued)

The tables below detail the future contractual undiscounted cash flows in respect of the senior and junior loans and the *Ijarah* financing, including both the principal and interest payments, and will not agree directly to the amounts recognised in the Consolidated Statement of Financial Position.

	30 Sep 2017 GBP	31 Mar 2017 GBP
Borrowings: Amount due for settlement within 12 months	148,528,800	132,487,846
<i>Ijarah</i> finance: Amount due for settlement within 12 months	18,415,626	–
Consisting of:		
Senior loans covered by lease rental receipts (capital and interest)	134,452,883	117,448,578
<i>Ijarah</i> finance covered by lease rental receipts (capital and interest)	18,415,626	–
Repayments of junior debt covered by lease rental receipts (interest only except for B1 Junior loan)	14,075,917	15,039,268
	166,944,426	132,487,846

	30 Sep 2017 GBP	31 Mar 2017 GBP
Borrowings: Amount due for settlement after 12 months and before 60 months	595,405,989	529,971,904
<i>Ijarah</i> finance: Amount due for settlement after 12 months and before 60 months	73,662,502	–
Consisting of:		
Senior loans covered by lease rental receipts (capital and interest)	539,037,613	469,794,314
<i>Ijarah</i> finance covered by lease rental receipts (capital and interest)	73,662,502	–
Repayments of junior debt covered by lease rental receipts (interest only except for B1 Junior loan)	56,368,376	60,177,590
	669,068,491	529,971,904

Borrowings: Amount due for settlement after 60 months	1,094,543,596	777,499,907
<i>Ijarah</i> finance: Amount due for settlement after 60 months	122,770,837	–
Consisting of:		
Senior loans covered by lease rental receipts (capital and interest) and uncovered (for balloon payment at maturity for Lambda, Mu and Nu)	801,744,976	687,310,825
<i>Ijarah</i> finance covered by lease rental receipts (capital and interest)	122,770,837	–
Repayments of junior debt covered by lease rental receipts (interest only except for B1 Junior loan) and uncovered (capital repaid at maturity)	292,798,620	90,189,082
	1,217,314,433	777,499,907

The loans to Alpha were arranged with Qatar National Bank S.A.Q (“Qatar”) and Westpac Banking Corporation (“Westpac”) for USD 155,000,000 for the Senior Loan and USD 35,000,000 for the Junior loan. Both loans run for 12 years until September 2026.

The loans to Beta were arranged with Qatar and Westpac for USD 155,000,000 for the Senior Loan and USD 35,000,000 for the Junior Loan. Both loans run for 12 years until October 2026.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

14. BORROWINGS AND IJARAH FINANCING (continued)

The loans to Gamma were arranged with Qatar and Westpac for USD 170,000,000 for the Senior Loan and USD 40,000,000 for the Junior Loan. Both loans run for 12 years until August 2027.

The loans to Delta were arranged with Qatar and Westpac for USD 170,000,000 for the Senior loan and USD 40,000,000 for the Junior loan. Both loans run for 12 years until November 2027.

The loans to Epsilon were arranged with HSBC Bank PLC and Airbus Financial Services ("Airbus"), a subsidiary of Airbus Group SE, for USD 175,000,000 for the Senior loan and USD 35,000,000 for the Junior loan. Both loans run for 12 years until February 2028.

The loans to Zeta were arranged with Westpac and Airbus for USD 170,000,000 for the Senior loan and USD 35,000,000 for the Junior loan. Both loans run for 12 years until April 2028.

The loans to Eta were arranged with Westpac and National Bank of Abu Dhabi for USD 125,000,000 for the Senior loan and USD 25,000,000 for the Junior loan. Both loans run for 12 years until July 2028.

The loans to Theta were arranged with Westpac and Airbus for USD 125,000,000 for the Senior loan and for USD 25,000,000 for the Junior loan. Both loans run for 12 years until August 2028.

The loans to Iota were arranged with National Bank of Abu Dhabi for USD 180,000,000 for the Senior loan, USD 30,000,000 for the B1 Junior loan and USD 18,500,000 for the B2 Junior loan. All loans run for 12 years until March 2029.

New Ijarah financing entered into during the current period:

The *Ijarah* finance to Kappa was arranged with Dubai Islamic Bank (DIB) under an *Ijarah* structure for USD 228,500,000. The *Ijarah* facility will run for 12 years until May 2029.

Under the *Ijarah* structure, an *Ijarah* finance structure is used under which Amedeo A380 AOE 3 Limited (the "Owner"), an exempted company set up by DIB with limited liability and existing under the applicable laws of the Cayman Islands, purchased the Asset (being MSN 237) and holds legal title for the term of the financing. A head-lease was entered into with Kappa (the "Lessor") under which Kappa will pay rent over 144 months from the commencement date (being immediately after delivery of the Asset to the Lessor on 24 May 2017) to the Owner according to the rental schedule in the head-lease. These rental payments will be the equivalent of the principal and interest payable under the MSN 237 senior facility from DIB.

As a result of the Shari'a compliant *Ijarah*, the Lessor is responsible for insurance and major structural maintenance of the Asset, with the Owner appointing the Lessor as its servicing agent to perform and/or pay for such obligations. At the end of the term, title will then pass to Kappa for a nominal sum. Separate standalone purchase and sale undertakings will be required in order to allow for the Asset to be transferred by the Owner to the Lessor on the final maturity date or in an acceleration scenario, in each case, in exchange for a cash payment equal to any amounts due under the senior financing. In addition, the aircraft mortgage has been provided by the Owner rather than Kappa, with an additional security assignment from Kappa to the Owner, which has been on-assigned to DIB as security trustee. Furthermore, the Owner's rights in the servicing agency agreement have been assigned to the security trustee, with a share pledge over the shares of the Owner (as well as Kappa).

New loans entered into during the current period:

The Senior loan to Lambda was arranged with Natixis ("Natixis"), a banking institution incorporated and existing under the laws of France, acting through its Singapore branch (as Facility Agent and Security Trustee), and DekaBank Deutsche Girozentrale, a public law banking institution organised and existing under the laws of the Federal Republic of Germany (as Mandated Lead Arrangers) for USD 118,000,000. The Senior loan will run for 12 years until July 2029.

The Senior loan to Mu was arranged with Natixis for USD 118,000,000. The Senior loan will run for 12 years until August 2029.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

14. BORROWINGS AND IJARAH FINANCING (continued)

The Senior loan to Nu was arranged with Natixis for USD 118,000,000. The Senior loan will run for 12 years until September 2029. No breaches or defaults occurred in the period. The loans (apart from Lambda, Mu and Nu) are fixed rate over the term of the loan. The Kappa finance, although pursuant to a Shari'a compliant *Ijarah* lease agreement with the legal owner, is in substance a fixed rate finance facility. The Zeta, Eta, Theta and Iota loans are variable rate but have an associated interest rate hedging contract issued by the lender in effect fixing the loan interest over the term of the loans. The Lambda, Mu and Nu loans are variable rate with no associated hedge of the interest exposure, although the related lease rentals are also floating rate to match, and each senior loan has a USD 15,000,000 balloon capital payment on maturity. Senior loans have both interest and capital repayments whereas junior loans only have interest repayments with the capital to be repaid on maturity (except for the Iota B1 Junior loan that has both interest and capital repayments).

Transaction costs of arranging the loans have been deducted from the carrying amount of the loans and will be amortised over their respective lives. In the Directors' opinion, the above carrying values of the bank loans are approximate to their fair value.

15. SHARE CAPITAL

The Share capital of the Company is represented by an unlimited number of redeemable ordinary shares of no par value.

	30 Sep 2017 Ordinary Shares	31 Mar 2017 Ordinary Shares
Issued		
Shares issued at incorporation	1	1
Shares issued at placing 13 May 2015	201,999,999	201,999,999
Shares issued at placing 15 December 2015	47,000,000	47,000,000
Shares issued at placing 11 March 2016	53,000,000	53,000,000
Shares issued at placing 7 July 2016	40,250,000	40,250,000
Shares issued at placing 16 January 2017	125,000,000	125,000,000
Shares issued at placing 23 June 2017	134,650,000	–
Total number of Shares as at 30 September 2017	601,900,000	467,250,000

	Ordinary Shares GBP	Ordinary Shares GBP
Issued		
Shares		
Share capital raised at incorporation	–	–
Share capital raised at placing 13 May 2015	202,000,000	202,000,000
Share capital raised at placing 15 December 2015	47,000,000	47,000,000
Share capital raised at placing 11 March 2016	53,530,000	53,530,000
Share capital raised at placing 7 July 2016	41,055,000	41,055,000
Share capital raised at placing 16 January 2017	130,000,000	130,000,000
Share capital raised at placing 23 June 2017	140,036,000	–
Share issue costs	(7,355,581)	(5,695,820)
Total Share capital as at 30 September 2017	606,265,419	467,889,180

On 23 June 2017 the Company issued an additional 134,650,000 redeemable ordinary shares of no par value at an issue price of 104 pence per new share. Following this transaction, the Company's total issued Share capital at 30 September 2017 was 601,900,000 Shares, none of which were held in treasury.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

15. SHARE CAPITAL (continued)

Therefore the total number of voting rights in issue was 601,900,000. Subsequent to the current period end, the Company issued 40,350,000 new shares on 27 November 2017 (see note 19).

Members holding Shares are entitled to receive, and participate in the following: any dividends out of income attributable to the Shares; other distributions of the Company available for such purposes and resolved to be distributed in respect of any accounting period; or other income or right to participate therein.

On a winding up of the Company, shareholders are entitled to the surplus assets attributable to the Share class remaining after payment of all the creditors of the Company.

16. FINANCIAL INSTRUMENTS

The Group's main financial instruments comprise:

- (a) Cash and cash equivalents that arise directly from the Group's operations; and
- (b) Debt secured on non current assets.

The Group's objective is to obtain income returns and a capital return for its shareholders by acquiring, leasing and then selling aircraft.

The following table details the categories of financial assets and liabilities (and the *Ijarah* financing included in note 14) held by the Group at the reporting date:

	30 Sep 2017 GBP	31 Mar 2017 GBP
Financial assets		
Cash and cash equivalents	43,488,238	82,685,031
Financial assets at fair value through profit and loss	17,224,000	15,255,000
Financial assets at amortised cost	60,712,238	97,940,031
Financial liabilities		
Payables	11,068,530	310,615
Debt payable (including <i>Ijarah</i> financing)	1,618,454,147	1,306,909,182
Financial liabilities measured at amortised cost	1,629,522,677	1,307,219,797

Fair value of financial instruments

The Company has adopted IFRS 13, 'Fair value measurement' and this standard requires the Company to price its financial assets and liabilities using the price in the bid-ask spread that is most representative of fair value for both financial assets and financial liabilities. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The level of the fair value hierarchy of an instrument is determined considering the inputs that are significant to the entire measurement of such instrument and the level of the fair value hierarchy within those inputs are categorised.

The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1: Quoted price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques using significant unobservable inputs.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

16. FINANCIAL INSTRUMENTS (continued)

The interest rate swaps are considered to be level 2 in the Fair Value Hierarchy. The following tables show the Group's financial assets and liabilities as at 30 September 2017 with comparatives as at 31 March 2017 based on the hierarchy set out in IFRS:

30 Sep 2017

Assets	Quoted Prices in active markets for identical assets (Level 1) 2017 GBP	Significant other observable inputs (Level 2) 2017 GBP	Significant unobservable inputs (Level 3) 2017 GBP	Total 2017 GBP
Financial assets at fair value through profit and loss				
Interest rate swaps	–	17,224,000	–	17,224,000
Total assets	–	17,224,000	–	17,224,000

31 Mar 2017

Assets	Quoted Prices in active markets for identical assets (Level 1) GBP	Significant other observable inputs (Level 2) GBP	Significant unobservable inputs (Level 3) GBP	Total GBP
Financial assets at fair value through profit and loss				
Interest rate swaps	–	15,255,000	–	15,255,000
Total assets	–	15,255,000	–	15,255,000

Derivative financial instruments

The following table shows the Group's derivative position as at 30 September 2017 with a comparative table as at 31 March 2017:

30 Sep 2017

Interest Rate Swaps	Financial assets at fair value £	Notional amount USD	Maturity
Zeta Senior Loan	3,508,341	170,000,000	13/04/2028
Eta Senior Loan	4,476,806	116,409,017	28/07/2028
Eta Junior Loan	1,119,795	25,000,000	28/07/2028
Theta Senior Loan	4,585,056	116,427,839	19/08/2028
Theta Junior Loan	1,241,912	25,000,000	19/08/2028
Iota Senior Loan	1,583,264	174,276,703	24/03/2029
Iota Junior Loan	294,020	29,117,715	24/03/2029
Iota Junior Loan	414,806	18,500,000	24/03/2029
	17,224,000	504,901,274	

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

16. FINANCIAL INSTRUMENTS (continued)

31 Mar 2017

Interest Rate Swaps	Financial assets at fair value £	Notional amount USD	Maturity
Zeta Senior Loan	4,738,280	170,000,000	13/04/2028
Era Senior Loan	4,374,397	125,000,000	28/07/2028
Era Junior Loan	1,199,881	25,000,000	28/07/2028
Theta Senior Loan	4,486,021	125,000,000	19/08/2028
Theta Junior Loan	1,304,239	25,000,000	19/08/2028
Iota Senior Loan	(589,696)	180,000,000	24/03/2029
Iota Junior Loan	(118,312)	30,000,000	24/03/2029
Iota Junior Loan	(139,810)	18,500,000	24/03/2029
	15,255,000	698,500,000	

The movement in the fair value of the Interest Rate Swaps for the period of £1,969,000 (30 September 2016: £Nil) is reflected in Finance Costs in note 10.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's financial instruments are capital management risk, foreign currency risk, credit risk, liquidity risk and interest rate risk. The Directors regularly review and agrees policies for managing each of these risks and these are summarised below:

(a) Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 14, cash and cash equivalents and equity attributable to equity holders, comprising issued capital and retained earnings.

The Group's Board of Directors reviews the capital structure on a bi-annual basis.

Equity includes all capital and reserves of the Company that are managed as capital.

(b) Foreign currency risk

The Group's accounting policy under IFRS requires the use of a GBP historic cost of the Assets and the value of the US dollar debt as translated at the spot exchange rate on every Consolidated Statement of Financial Position date. In addition USD operating lease receivables are not immediately recognised in the Consolidated Statement of Financial Position and are accrued over the period of the leases. The Directors consider that this introduces an artificial variance due to the movement over time of foreign exchange rates. In actuality, the USD lease rentals should offset the USD payables on amortising debt on the loans (including the Kappa *Ijarah* finance), apart from the Lambda, Mu and Nu loans which have balloon capital payments on maturity (refer to note 14). The foreign exchange exposure in relation to the bank loans (capital and interest) and the Kappa *Ijarah* finance is thus largely hedged, apart from the foreign exchange exposure unhedged in respect of the balloon capital portion of the Lambda, Mu and Nu loans and the principal bullet repayment of the junior loans at maturity.

The potential future value of the aircrafts or the potential sale proceeds when the junior loans mature as well as the Lambda, Mu and Nu senior loans (both in USD), should however reduce this foreign exchange risk.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Foreign currency risk (continued)

Lease rentals (as detailed in Notes 4 and 11) are received in USD and GBP. Rental income received in US Dollars is used to pay loan interest and regular capital repayments of debt (but excluding any bullet or balloon repayment of principal), which are likewise denominated in US Dollars. US Dollar lease rentals and loan repayments are furthermore fixed at the outset of the Company's life and are very similar in amount and timing save for the repayment of bullet and balloon repayments of principal due on the final maturity of a loan to be paid out of the proceeds of the sale, re-lease, refinancing or other disposition of the relevant aircraft.

The matching of lease rentals to settle these loan repayments therefore mitigates risks caused by foreign exchange fluctuations.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	30 Sep 2017	31 Mar 2017
	GBP	GBP
Debt (USD) - Liabilities	(1,618,454,147)	(1,306,909,182)
Financial assets at fair value through profit and loss	17,224,000	15,255,000
Cash and cash equivalents (USD) - Asset	24,556,337	81,092,144

The following table details the Group's sensitivity to a 25 per cent (31 March 2017: 25 per cent) appreciation in GBP against USD. 25 per cent (31 March 2017: 25 per cent) represents the Directors' assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 25 per cent (31 March 2017: 25 per cent) change in foreign currency rates. A positive number below indicates an increase in profit and other equity where sterling strengthens 25 per cent (31 March 2017: 25 per cent) against the US dollar. For a 25 per cent weakening of the sterling against the USD, there would be a comparable but opposite impact on the profit and other equity.

	30 Sep 2017	31 Mar 2017
	GBP	GBP
Profit or loss	315,334,762	242,112,408
Change in value of assets	(8,356,067)	(19,269,429)
Change in value of liabilities	323,690,829	261,381,837
Excluding junior loans:		
Profit or loss	181,918,669	194,788,919
Change in value of assets	(6,973,219)	(15,466,289)
Change in value of liabilities	188,891,888	210,255,208

On the eventual sale of the Assets, the Group may be subject to foreign currency risk if the sale was made in a currency other than GBP. Transactions in similar assets are typically priced in USD.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group.

The credit risk on cash transactions are mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, or with high credit ratings assigned by international credit rating agencies.

The Group's financial assets exposed to credit risk are as follows:

	30 Sep 2017 GBP	31 Mar 2017 GBP
Cash and cash equivalents	43,488,238	82,685,031
Financial assets at fair value through profit and loss	17,224,000	15,255,000
	60,712,238	97,940,031

Surplus cash in the Group is held with Barclays, HSBC, Lloyds, RBSI and Bank of Ireland, which have credit ratings given by Moody's of A1, Aa2, A1, Ba1 and A3 respectively. Surplus cash in the Subsidiaries is held in accounts with RBSI and Westpac, which have credit ratings given by Moody's of A3 and Aa2 respectively.

The credit ratings are reviewed periodically by the Directors and the Administrator.

There is a potential credit risk arising from the possibility that the lessee may default on the lease payments. This risk is mitigated, as under the terms of the lease agreements between the lessee and the Group, any non payment of the lease rentals constitutes a Special Termination Event, under which the lease terminates and the Company may either choose to sell the Asset or lease the Asset to another party.

At the inception of each lease, the Company selected a lessee with a strong Statement of Financial Position and financial outlook. The financial strength of Emirates, Etihad and Thai Airways is regularly reviewed by the Directors and the Asset Manager.

(d) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in realising assets or otherwise raising funds to meet financial commitments. The Group's main financial commitments are its ongoing operating expenses and repayments on loans.

The fixed rental income under the relevant leases means that the rents received should be sufficient to meet the loan interest and regular capital repayments of debt scheduled during the life of each lease and provide surplus income to pay for the Group's expenses and finance payments of dividends. Where balloon and bullet repayments of debt exist, these are expected to be financed out of the disposal proceeds of the relevant aircraft. Declarations of dividends may need to be suspended if the Board considers that the Company will not be able to repay any balloon and bullet repayments of debt falling due through the sale, refinancing or other disposition of an Asset.

Ultimate responsibility for liquidity risk management rests with the Board of Directors.

The Group manages liquidity risk through the timings of lease rentals and debt repayments, by maintaining adequate reserves, banking facilities and borrowing facilities, by monitoring forecast and actual cash flows, and by matching profiles of financial assets and liabilities.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Liquidity Risk (continued)

The table below details the residual contractual maturities of financial liabilities (and the *Ijarah* financing included in note 14). The amounts below are contractual undiscounted cash flows, including both the principal and interest payments, and will not agree directly to the amounts recognised in the Statement of Financial Position:

	1-3 Months GBP	3-12 Months GBP	1-2 Years GBP	2-5 Years	Over 5 Years GBP	Total GBP
30 Sep 2017						
Financial liabilities						
Payables	11,068,530	–	–	–	–	11,068,530
Borrowings and <i>Ijarah</i> financing	41,729,388	125,215,038	167,071,326	501,997,165	1,217,314,434	2,053,327,351
	52,789,894	125,215,038	167,071,326	501,997,165	1,217,314,434	2,064,387,857
31 Mar 2017						
Financial liabilities						
Payables	310,615	–	–	–	–	310,615
Borrowings and <i>Ijarah</i> financing	33,066,796	99,421,050	132,466,939	397,504,965	777,499,907	1,439,959,657
	33,377,411	99,421,050	132,466,939	397,504,965	777,499,907	1,440,270,272

(e) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows. It is the risk that fluctuations in market interest rates will result in a variation in deposit interest earned on bank deposits held by the Group. The Kappa finance entered into in the current period is in substance at fixed rate as per the terms of the Shari'a compliant *Ijara* finance agreement with the legal owner. The Lambda, Mu and Nu and loans entered into in the current period are variable rate (with no associated interest rate swap contract issued by the lender to fix the loan interest over the term of the loans) although the related rentals are also floating rate to march.

With the exception of Lambda, Mu and Nu, as mentioned above, the Group mitigates interest rate risk by fixing the interest rate on the bank loans (as well as in respect of Zeta, Eta, Theta and Iota, which have an associated interest rate swap to fix the loan interest). The lease rentals are also fixed.

The following table details the Group's exposure to interest rate risks:

	Variable interest GBP	Fixed interest GBP	Non-interest Bearing GBP	Total GBP
30 Sep 2017				
Financial Assets				
Receivables	–	–	221,901	221,901
Cash and cash equivalents	43,488,238	–	–	43,488,238
Total Financial Assets	43,488,238	–	221,901	43,710,139
Financial Liabilities				
Accrued expenses	–	–	11,068,530	11,068,530
Borrowings and <i>Ijarah</i> financing	264,218,540	1,336,067,432	–	1,600,285,972
Total Financial Liabilities	264,218,540	1,336,067,432	11,060,506	1,611,354,502
Total interest sensitivity gap	(220,730,302)	1,336,067,432		

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Interest Rate Risk (continued)

31 Mar 2017	Variable interest GBP	Fixed interest GBP	Non-interest Bearing GBP	Total GBP
Financial Assets				
Receivables	–	–	1,099,945	1,099,945
Cash and cash equivalents	82,685,031	–	–	82,685,031
Total Financial Assets	82,685,031	–	1,099,945	83,784,976
Financial Liabilities				
Accrued expenses	–	–	310,615	310,615
Bank loans	–	1,294,109,180	–	1,294,109,180
Total Financial Liabilities	–	1,294,109,180	310,615	1,294,419,795
Total interest sensitivity gap	82,685,031	1,294,109,180		

If interest rates had been 25 basis points higher throughout the period and all other variables were held constant, the Group's net assets attributable to shareholders as at 30 September 2017 would have been £108,720 (31 March 2017: £206,713) greater due to a increase in the amount of interest receivable on the bank balances. If interest rates had been 25 basis points lower throughout the period and all other variables were held constant, the Group's net assets attributable to shareholders as at 30 September 2017 would have been £108,720 (31 March 2017: £206,713) lower due to a decrease in the amount of interest receivable on the bank balances.

Since the capital repayments are unchanged in respect of the variable interest loans for Lambda, Mu and Nu (only the interest payments vary) when there is a change in rates, there would be no change to net assets as a result. This will however affect future cash flows as explained above.

18. ULTIMATE CONTROLLING PARTY

In the opinion of the Directors, the Company has no ultimate controlling party.

19. SUBSEQUENT EVENTS

On 11 October 2017 the Directors of the Company declared an interim dividend of 2.0625 pence per Share in respect of the 31 March 2018 financial year. The dividend was paid on 27 October 2017 to holders on record 20 October 2017.

Further to the Company's announcement dated 13 June 2017 regarding the launch of its Placing Programme and the Initial Placing to acquire three Airbus A350-900s, the Company announced on 1 November 2017 the launch of the second placing of new shares ("Second Placing") to acquire the fourth Airbus A350-900. The acquisition was approved by shareholders by ordinary resolution on 5 June 2017, in accordance with the Company's Articles.

Pursuant to the Supplementary Prospectus issued on 17 November 2017, the Company issued 40,350,000 new shares on 27 November 2017 under the Second Placing at an issue price of 104 pence per Share.

The Group will use the proceeds from this new share issue alongside debt financing to acquire its fourteenth asset with the intention that it will be leased to Thai Airways on a fully repairing and insuring basis for a fixed 12 year term. The Company expects to take delivery of the aircraft no later than 31 January 2018. The fees as detailed in note 20 below have been updated and agreed in relation to the Second Placing and fourteenth asset to be purchased.

On 18 October 2017, the Company subscribed for one ordinary share of no par value for an amount paid up of £1 in AA4P Xi Limited on incorporation (being a company incorporated in Guernsey).

On 17 November 2017, the Company became the sole shareholder of AA4P Leasing Ireland 2 Limited (a company incorporated in Ireland on 15 September 2017 as a Private Company limited by shares), due to a transfer of one share at \$1.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2017

20. RELATED PARTY TRANSACTIONS

Amedeo Limited ("Amedeo") has been appointed as the Group's Asset Manager and Agent (the agent is appointed to assist with the purchase of the aircraft, the arrangement of suitable equity and debt finance and the negotiation and documentation of the lease and financing contracts).

During the current period, the Group paid Amedeo £4,153,111 in total (31 March 2017: £4,661,544), split as follows:

- (i) an upfront lease and debt arrangement fee of £2,748,500 (31 March 2017: £2,238,000) (the "Upfront Fee") for the assets purchased during the period. These fees have been capitalised to the aircraft as acquisition costs and will be depreciated over the life of the leases.

In consideration for providing the services pursuant to the Agency Agreement, the Company (itself and on behalf of each Lessor), upon each "Admission" (being the admission to trading on the SFS becoming effective in accordance with the LSE Admission Standard), paid to Amedeo Limited during the period an upfront lease and debt arrangement fee of £845,000 for Kappa and £634,500 each for Lambda, Mu and Nu.

- (ii) In addition, Amedeo receives, in consideration for providing services to the Group, a management and advisory fee (included under "asset management fee" in note 5). Included in the fees are the following for the aircraft purchased in the current period:

- £266,500 per annum for the tenth asset (adjusted annually for inflation commencing from 1 January 2018 onwards at 2.5 per cent. per annum).
- \$256,250 per annum for the eleventh, twelfth and thirteenth assets (adjusted annually for inflation commencing from 1 January 2018 onwards at the lower of RPI and 2.5 per cent. per annum).

All fees are payable monthly in arrears (the "Annual Fee") and accrue from the date of admission. (iii) Amedeo Services (UK) Limited ("Amedeo Services") has been appointed as Liaison and Administration Oversight Agent to the Group. In consideration for this service, the Group pays Amedeo Services £10,250 per annum (31 March 2017: £10,000 per annum) adjusted annually for inflation from 2017 onwards, at 2.5 per cent per annum, payable annually in advance. As at 30 September 2017 period end £Nil (31 March 2017: £Nil) was outstanding. This fee is under "asset management fee" in note 5.

Nimrod Capital LLP ("Nimrod") is the Company's Placing Agent and Corporate and Shareholder Adviser.

In consideration for Nimrod acting as placing agent in the Initial Placing Programme in June 2017 (the proceeds of which were used to fund the equity portion of the acquisition costs of the eleventh, twelfth and the thirteenth assets respectively), the Company agreed to pay Nimrod a placing commission of £1,336,500 (being equal to 0.95 per cent of the IPO Placing Proceeds).

During the period, the Group incurred £2,308,307 (31 March 2017: £3,395,137) of fees due to Nimrod. £1,336,500 (31 March 2017: £1,736,000) of these expenses (as referred above) have been deducted from equity. £971,807 (31 March 2017: £1,659,137) of these expenses related to corporate and shareholder advisory fees as shown in Note 5. £3,258 (31 March 2017: £Nil) was outstanding to this related party at 30 September 2017.

Included in these fees are the following for the aircraft purchased in the current period:

- £365,106 per annum for the tenth asset (adjusted annually for inflation from 2018 onwards, at 2.5 per cent per annum).
- \$550,995 per annum for eleventh, twelfth and the thirteenth assets (adjusted annually for inflation from 2018 onwards, at 2.5 per cent per annum).

John Le Prevost is a director of Anson Registrars Limited ("ARL"), the Company's registrar, transfer agent and paying agent. During the period the Group incurred £11,036 (31 March 2017: £18,346) of costs with ARL, of which £762 (31 March 2017: £800) was outstanding as at 30 September 2017.

