



AMEDEO AIR FOUR PLUS LIMITED

Consolidated Half-Yearly
Financial Report (Unaudited)
From 1 April 2020 to 30 September 2020

2020

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Summary Information

Trading	The Specialist Fund Segment of the London Stock Exchange's Main Market
Ticker	AA4
SEDOL	BKY41C6 (Effective from 28 September 2020) BWC53H4 (Prior to compulsory redemption on 28 September 2020)
ISIN	GG00BKY41C61 (Effective from 28 September 2020) GG00BWC53H48 (Prior to compulsory redemption on 28 September 2020)
LEI	21380056PDNOTWERG107
Reporting Currency	Sterling
Launch Date / Share Price	13 May 2015 / 100p*
Share Price	32.5p (as at 30 September 2020) 34.0p (as at 4 December 2020)
Market Capitalisation	GBP 146 million (as at 4 December 2020)
Target Dividend	The original target of 2.0625p per share per quarter (8.25p per annum) was suspended on 6 April 2020
Dividend Payment Months	January, April, July, October if possible.
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, HS-THF, HS-THG, HS-THH, HS-THJ
Website	www.aa4plus.com

**On 28 September 2020, 214,083,243 ordinary shares (33.33%) were compulsorily redeemed by the Company at 46 pence per share.

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Key Advisers and Contact Information (continued)

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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 of the UK's Financial Conduct Authority.

All of the Company's redeemable ordinary shares ("**Shares**") have since 13 May 2015 been admitted to trading on the Specialist Fund Segment ("**SFS**") of the London Stock Exchange's Main Market.

The initial and six subsequent share raisings resulted in the issue and admission to trading on the SFS of 642,250,000 Shares issued at an average offer price of 102 pence. On 28 September 2020 the Company compulsorily redeemed 214,083,243 Shares on a one for three shares held basis as at 25 September 2020 paying a redemption price of 46 pence per Share redeemed.

As at 4 December 2020, the last practicable date prior to the publication of this report, the Company's total issued share capital was 428,166,757 Shares trading at 34.0 pence per share giving the Company a market capitalisation of £146 million.

Investment Objective and Policy

Since launch the Company's investment objective has been 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 investments objective, the Company sought to use the net proceeds of placings and/or other equity capital raisings, together with debt facilities, to acquire aircraft which it leased to one of three major airlines. In February 2020 all aircraft leased to Etihad Airways were disposed of and now the remaining aircraft are leased either to Thai Airways International Public Company Limited ("**Thai Airways**") or to Emirates.

Given the current COVID-19 crisis and the devastating affect it has had upon the long-haul air travel industry, plus the fact that one of the company's lessees, Thai Airways is now under bankruptcy protection, the Board considers it unlikely that in the near term there will be any further expansion of the Company but rather all effort is concentrated on managing the current economic challenges to ensure the Company's long term survival.

Investment Portfolio

As at the financial reporting date of 30 September 2020 the Company had twelve wholly-owned aircraft owning subsidiaries and two Irish leasing subsidiaries, see note 1 for further details. Together the Company and its subsidiaries are known as the "**Group**".

Distribution Policy

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

Up until December 2019 the Group regularly received income in the form of lease payments and income distributions were made to shareholders quarterly in accordance with the Company's then target of a distribution to shareholders of 2.0625 pence per Share per quarter.

However, on 6 April 2020, as a result of the impact of COVID-19 on the airline industry, the Company announced that the Board had resolved to temporarily suspend the payment of any kind of distribution to shareholders, as the Board's priority lay in preserving the long-term financial stability of the Company for the benefit of its shareholders and creditors. The Board considered that maintaining the Company's liquidity was vital and prudent in doing so.

On 13 October 2020, the Board declared a special dividend of 1.15 pence per Share and intends each quarter to assess what income has been received which is appropriate and prudent for the Board to pay to Shareholders by way of a dividend.

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

Company Overview (continued)

Performance Overview

All payments due from Emirates were made in accordance with the terms of the respective leases. However, Thai Airways are in rehabilitation proceedings and Thailand's Central Bankruptcy Court has appointed the Planning Committee to administer the formal process. Discussions have commenced with the airline with the potential for (limited) income and Amedeo Limited ("Amedeo" or the "Asset Manager") has also arranged with lenders that debt servicing can be limited to interest only on a three monthly basis and are seeking to extend these arrangements. Please see the Chairman's Statement and Asset Managers Report on pages 8 to 14 for more information regarding this process.

The Company declared no dividends during the period under review. However one dividend of 1.15 pence per share was declared after the end of the reporting period.

Return of Capital

Following the sale of an Asset the Board may, as it deems appropriate at its absolute discretion, either return to shareholders all or part of 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, subject to shareholder approval. Following the sale in February of the two aircraft leased to Etihad, on 23 September 2020 the Company announced the return to shareholders of £98.5 million of the resultant proceeds by means of a compulsory redemption of one share for every three shares held as at 25 September for a payment of 46 pence per each share redeemed. Accordingly, 214,083,243 ordinary shares were redeemed and have now been cancelled.

Amedeo 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 convenes a Liquidation Proposal Meeting in 2029 or such other date as shareholders may approve by ordinary resolution.

Chairman's Statement

I am pleased to report that we were able to return to Shareholders c.£98.5 million on 28 September 2020 by way of a compulsory redemption of one-third of the ordinary shares in the capital of the Company at a redemption price of 46 pence per each redeemed share. Due to the diversity of our shareholder base the compulsory redemption route was considered the most equitable way to treat all shareholders fairly. This resulted in the redemption of 214,083,243 Shares.

Since the webinar we organised in June for our major shareholders, which replaced the Factsheet we would normally have produced at that time, we have continued to deal on a daily basis with the issues facing the long-haul airline industry, to which your company is mostly exposed. International travel has not rebounded in the way predicted at the start of the COVID-19 crisis. Airlines have used up much of the liquidity provided to them by governments and shareholders, but the expected restoration in air travel has been blighted by poor COVID-19 testing facilities, lack of coordinated action by governments, increased infection rates and the expected ending of many of the most generous furlough schemes. More recently, many parts of the world have seen an increase in rates of infection and it should be noted that many airlines are now cutting rather than establishing their schedules and IATA has noted that many airlines cannot cut costs to match their reduced cash inflows.

In relation to the situation in Thailand, the country has not reopened to tourism at present (its biggest industry). It expects to have received 7m tourists this year, as opposed to 40m in 2019. As the flag carrier for the country and an entity dependant on tourist inflows, Thai Airways International Public Company Limited ("**Thai Airways**") has once again deferred restarting operations, this time until 1 December 2020. Our A350-900 aircraft consequently remain grounded. The aircraft have been recently inspected and at the time of such inspection were being maintained in "flight ready" status as opposed to long term storage status.

As previously noted, Thai Airways are in rehabilitation proceedings and the Central Bankruptcy Court has now appointed the Planning Committee to administer the formal process. The Asset Manager, Amedeo Limited ("**Amedeo**" or the "**Asset Manager**") has maintained dialogue with the airline operations staff and their advisers and are now commencing dialogue with the Planners. Discussions have commenced with the airline around the use of the aircraft with the potential for (limited) income and Amedeo have also arranged with lenders that debt service can be limited to interest only on a three monthly basis and are seeking to extend that arrangement. We therefore anticipate that we may have to fund interest for a longer period from the existing arrangement in a worst case scenario whilst the rehabilitation process is completed, assuming the lenders are willing to grant principal deferrals for that period in full.

We also wish to be in a position where, if negotiations with the Planner about the ongoing use of our aircraft, prove unsatisfactory, we are able to walk away from those negotiations and take back the aircraft. The Board has therefore created a contingency reserve of £30m to cover 18 months interest and funds to allow us to repossess, store, remarket and return to service our aircraft in 2022/23; if such becomes necessary. Overall, the A350-900 has suffered one of the lowest value impairment of all widebodies and we are focused on preserving your equity investment in these aircraft with a view to weathering the storm, hopefully reaching a satisfactory deal with a renewed and restored Thai Airways. Repossession is very much a last resort and we would not look to take such action without the most careful thought. However, we regard the Planner's initial timeline of having a plan agreed with all creditors within Q4 this year, and implemented and working within Q1 next year, as being optimistic. We are working on the basis that the timeline needs to be shifted at least two quarters further out and that we will receive little or no income before the end of Q2 next year from the Thai leases.

Emirates is a different story and we appreciate their perseverance and wish them well in hopefully capturing market share that will be left by shrinking airlines in the next few years. Emirates continue to pay rent and they are returning aircraft to service including some of the Company's own aircraft. However, we believe the majority are B777-300ER aircraft operating for cargo purposes. Only 12 A380s are back in service. Our two B777-300ER aircraft have returned to service Emirates' operations, as well as one of our A380 aircraft. As mentioned in a press release for the carrier's Half-Year Financial Results, Emirates received a \$2bn equity injection and reported a solid cash position of AED 20.7bn (US\$ 5.6bn) as of 30 September 2020. We have assumed that Emirates will continue to pay rent in full and we have seen some 1 hour flights to keep the aircraft in a "flight ready" status.

More broadly, Qantas Airways have placed all their A380s into long term storage, even the refurbished ones. The same applies to Singapore International Airways, who will reportedly retire 7 of its A380s. Lufthansa has announced that the B747-8 will be the "flagship" of their long-haul fleet and the A380s will all be stored. They evidently believe there may be a market for a 450 seat aircraft but not a 550 seat aircraft. Etihad has removed its fleet of Airbus A380s from its flight schedule until at least September 2021 and a return of these aircraft is uncertain. Finally Hi Fly are returning their A380 to its owners and switching to their A330 aircraft at which point there will be no A380 operating under a secondary lease of any kind.

Chairman's Statement (continued)

Most appraisers have now adjusted their values to account for COVID-19. We have held extensive and detailed discussions with appraisers about the assumptions they have made about values. For example, an appraisal which assumes a balance between supply and demand is of no value if one's judgment is that the balance will be heavily in favour of the buyer. The valuation results for the A380 are not pretty. The International Bureau of Aviation describe the aircraft as "one of the worst casualties" of the downturn. One of the advantages we may have, although making such a prediction is a stab in the dark, is that as our first A380 comes off lease in 2026, it is possible that by then, international travel will have come back to life as people realise that Zoom is no substitute for human contact and seeing places with your own eyes. The contraction in available supply as aircraft are permanently retired, as a result of the pandemic and slow production rates, may create a need for lift by the middle of the decade. However, much of the residual value in scrapped aircraft is in its engines and there will be a considerable oversupply of GP7270 engines in 2026 and thereafter. We have had to manage our residual value expectations accordingly. We are more positive about the A350-900 residuals because it is the favourite, alongside the B787-9, to replace the "big" four engine widebodies.

The B777-300ER remains the most successful widebody ever, with a wide user base and now a freighter conversion programme.

Meanwhile, we have to manage a corporate structure which has 15 companies to be maintained, whilst only eight are producing income, and we have to ensure that each borrowing entity can meet its present and future obligations. The same structure, which was born in rising markets, has very substantial long-term expenses which are difficult to justify in the current crisis unless they are providing a direct and verifiable benefit to shareholders. They eat directly into funds available for paying off our debt before leaving something for distribution to our shareholders.

Dividend

The Board declared an interim dividend in October 2020 of 1.15 pence per Share in respect of the financial year ending 31 March 2021. The Board well recognises that our shareholders have suffered over the last few months by not receiving any income, and we wish to restore this to the extent we can.

The landscape in which we are operating remains uncertain and will throw up more changes and challenges before we are finished.

I would like to thank Amedeo for their ceaseless efforts to do the best they can for us, they have committed many resources to this and they have, like JTC Fund Solutions (Guernsey) Limited, responded to the many demands the Board has made on them over the last six months.

Yours sincerely,

Robin Hallam
Chairman

Date: 7 December 2020

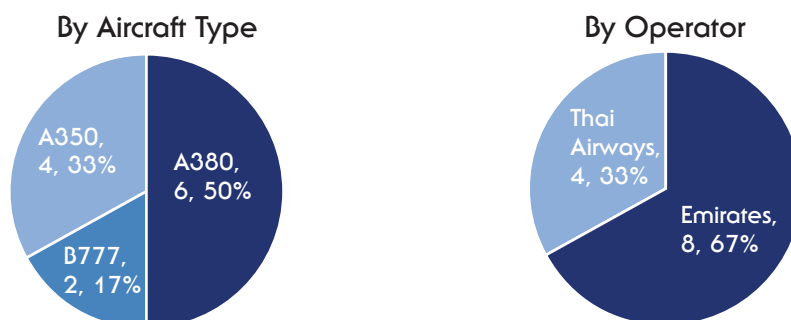
Asset Manager's Report

On the invitation of the Directors of the Company, the following commentary has been provided by Amedeo 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 commentary is not intended to constitute, and should not be construed as, investment advice. Potential investors in the Company should seek their own independent financial advice and may not rely on this communication in evaluating the merits of an investment in the Company. The commentary is provided as a source of information for shareholders of the Company but is not attributable to the Company.

CURRENT INVESTMENTS

Since launch in May 2015, Amedeo Air Four Plus Limited ("AA4" or the "Company") has acquired eight Airbus A380, two Boeing 777-300ER and four Airbus A350-900 aircraft. Two A380 aircraft were sold in February 2020. The current fleet consists of six A380s and two 777-300ERs leased to Emirates and four A350-900 aircraft leased to Thai Airways International Public Company Limited ("Thai"). All aircraft are leased for a period of 12 years from each respective delivery date. To complete the purchase of these aircraft, subsidiaries of the Company entered into debt financing arrangements which, together with equity proceeds, were used to finance the acquisition of the twelve aircraft.

AA4P PORTFOLIO BREAKDOWN



AA4 PORTFOLIO UPDATE

As set out in the Company's report to shareholders of 8 June 2020, discussions with Thai and the respective lenders around the status of the Company's aircraft leased to Thai have been taking place and remain in process. On 27 May, Thai submitted a petition to Thailand's Central Bankruptcy Court to enter into a court approved business rehabilitation procedure, which the Court accepted. Following hearings on 17, 20 and 25 August that included the presentation of objections and evidence from a small number of creditors, the Court approved Thai's request on 14 September 2020. From such time, the Court approved a seven-member "Planning Committee", who will now proceed to strategize the carrier's rehabilitation and seek to restructure Thai's debt and lease obligations amongst other matters with a view to obtaining majority creditor and Court approval. The Asset Manager has maintained contact with the secured lenders of the four aircraft on lease to Thai and awaits further news of the Planners' intentions, which might not become clear until the end of 2020. In the meantime, discussions have commenced around the potential for Thai to start operation of certain aircraft, which could possibly include the Company's aircraft, on a power by the hour (PBH) basis. While the aircraft are in temporary storage, it would be preferable to see these aircraft fly and earn some income for the Company. Separately, the Thai government is involved in discussion with eight other Thai airlines to provide potential COVID-19 related support through a US\$770m package. Thai Airways have been excluded from this discussion at present due to the rehabilitation process, but separate discussions may occur and further details are awaited regarding this matter.

Further to the Company's report to shareholders of 8 June 2020, no further discussion with Emirates and the respective lenders have taken place. As indicated in the previous report, Amedeo initiated discussions with Emirates and the Company's lending banks, however an agreement could not be reached. At present, there are no further updates from Emirates and the airline is not pushing for a deferral of rental payment. Consequently, Amedeo considers the request to have lapsed and the lending banks are no longer engaged. During this time, Emirates has continued to fulfil its current lease obligations.

Asset Manager's Report (continued)

THE ASSETS

Lessee	Model	MSN	REG	Delivery Date	Lease Expiry Date
Emirates	A380-861	157	A6-EEY	04/09/2014	04/09/2026
	A380-861	164	A6-EOB	03/11/2014	03/11/2026
	A380-861	187	A6-EOM	03/08/2015	03/08/2027
	A380-861	201	A6-EOQ	27/11/2015	27/11/2027
	A380-861	206	A6-EOV	19/02/2016	19/02/2028
	A380-861	208	A6-EOX	13/04/2016	13/04/2028
	B777-300ER	42334	A6-EPO	28/07/2016	28/07/2028
	B777-300ER	42336	A6-EPQ	19/08/2016	19/08/2028
Thai	A350-900	123	HS-THF	13/07/2017	13/07/2029
	A350-900	130	HS-THG	31/08/2017	31/08/2029
	A350-900	142	HS-THH	22/09/2017	22/09/2029
	A350-900	177	HS-THJ	26/01/2018	26/01/2030

The utilisation figures above represent the totals for each aircraft from first flight to 31 October 2020.

RECENT TECHNICAL ACTIVITY

No significant technical events have been reported by Emirates or Thai for this period. Emirates aircraft have been grounded from the end of March 2020, with the exception of the B777-300ER aircraft that have returned to service during this period. Fleet last operated as per the dates listed below as of 31 October 2020:

- MSN 157: 23 March 2020
- MSN 164: 19 March 2020
- MSN 187: 24 March 2020
- MSN 201: 21 March 2020 (Local 1 hour flight on 18 August)
- MSN 206: Now returned to service
- MSN 208: 24 March 2020
- MSN 42334: Now returned to service
- MSN 42336: Now returned to service

Thai aircraft have been grounded from the end of March 2020. Fleet last operated as per the dates listed below as of 31 October 2020:

- MSN 123: 24 March 2020
- MSN 130: 29 March 2020
- MSN 142: 26 March 2020
- MSN 177: 25 March 2020

Industry Update: COVID-19

On 28 September, The International Air Transport Association ("IATA") downgraded its traffic forecast for 2020 to reflect a weaker-than-expected recovery, as evidenced by a dismal end to the summer travel season in the Northern Hemisphere. IATA now expects full-year 2020 traffic to be down 66% compared to 2019. The previous estimate was for a 63% decline.

August passenger demand continued to be hugely depressed against normal levels, with revenue passenger kilometres ("RPKs") down 75.3% compared to August 2019. This was only a slight improvement compared to the 79.5% annual contraction in July. Domestic markets continued to outperform international markets in terms of recovery, although most domestic markets remained substantially down compared to last year's performance. August capacity (available seat kilometres or "ASKs") was down 63.8% compared to a year ago, and load factor plunged 27.2 points to an all-time low for August of 58.5%. Based on flight data, the recovery in air passenger services was brought to a halt in mid-August by a

Asset Manager's Report (continued)

return of government restrictions in the face of new COVID-19 outbreaks in a number of key markets. Forward bookings for air travel in the fourth quarter show that the recovery since the April low point will continue to falter. Whereas the decline in year-on-year growth of global RPKs was expected to have moderated to -55% by December, a much slower improvement is now expected with the month of December forecast to be down 68% on a year ago.

"August's disastrous traffic performance puts a cap on the industry's worst-ever summer season. International demand recovery is virtually non-existent and domestic markets in Australia and Japan actually regressed in the face of new outbreaks and travel restrictions. A few months ago, we thought that a full-year fall in demand of -63% compared to 2019 was as bad as it could get. With the dismal peak summer travel period behind us, we have revised our expectations downward to -66%," said Alexandre de Juniac, IATA's Director General and CEO.

EMIRATES

Half-Year 2020/21 Financial Results

Emirates gradually restarted scheduled passenger operations on 21 May. By 31 October, the airline was operating passenger and cargo services to 104 cities and resumed A380 serviced flights to select destinations. Customers can now enjoy the A380 experience on flights to Cairo, Paris, London, Guangzhou, Toronto, Moscow, and Amman with potentially more routes to be added, as the airline continues to gradually deploy the A380 in line with increased passenger demand.

In the first half of the 2020-21 financial year, Emirates loss was AED 12.6bn (US\$ 3.4bn), compared to last year's profit of AED 862m (US\$ 235m). Emirates revenue, including other operating income, of AED 11.7 billion (US\$ 3.2bn) was down 75% compared with the AED 47.3bn (US\$ 12.9bn) recorded during the same period last year. This result was due to severe flight and travel restrictions around the world relating to the COVID-19 pandemic.

Reports that surfaced during March, of Emirates receiving an equity injection were also confirmed in a press release from His Highness (HH) Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive of Emirates and Group, in which he stated, "We have been able to tap on our own strong cash reserves, and through our shareholder and the broader financial community, we continue to ensure we have access to sufficient funding to sustain the business and see us through this challenging period. In the first half of 2020-21, our shareholder injected US\$ 2 billion into Emirates by way of an equity investment and they will support us on our recovery path." Emirates Group, reported a solid cash position of AED 20.7bn (US\$ 5.6bn) as of 30 September 2020.

Overall capacity during the first six months of the year declined by 67% to 9.8 billion Available Tonne Kilometres (ATK) due to a substantially reduced flight programme over the past months, including the suspension of passenger flights at Dubai international airport for 8 weeks. Capacity measured in Available Seat Kilometres (ASK), shrunk by 91%, whilst passenger traffic carried measured in Revenue Passenger Kilometres (RPK) was down by 96% with average Passenger Seat Factor falling to 38.6%, compared with last year's pre-pandemic figure of 81.1%.

Airline Operations

Emirates carried 1.5 million passengers between 1 April and 30 September 2020, down 95% from the same period last year. The volume of cargo uplifted at 0.8 million tonnes has decreased by 35% while yield has more than doubled by 106%. This reflects the extraordinary market situation for air freight during the global COVID-19 crisis, where drastically reduced passenger flights led to limited available capacity while airfreight demand rose strongly.

Emirates was able to uplift 65% of its cargo volumes compared to the same period last year, which shows its cargo division's agility in adapting its operations to provide air freight services in this new environment. In a very short time, Emirates Skycargo completed the partial retrofit of 10 Boeing 777-300ER passenger aircraft to transport freight on the main deck, introduced new operation protocols to enable the safe uplift of cargo in passenger cabins, rapidly restarted and scaled up its global cargo network, and put in place comprehensive bio-safety protocols for employees. Currently around 500 tonnes of food items are transported every day in the cargo hold of Emirates aircraft across the world.

Emirates has done well in analysing passenger demand and monitoring countries' lockdown situation in order to target new channels for growth. On 20 October 2020, Emirates and Airlink announced an interline agreement, widening Emirates' reach into Southern Africa as countries begin opening their borders for travellers. Emirates' agreement with Airlink will provide its customers enhanced connectivity via its gateways Johannesburg and Cape Town to more than 25 domestic destinations in South Africa and more than 20 regional destinations in Southern Africa. The unique connections enabled by this new partnership provide customers onward travel options not offered by other airlines.

Asset Manager's Report (continued)

The table below details the current fleet status for the week starting 6 October 2020 and ending 12 October 2020:

Aircraft Type	Grounded	Active
A380	104	12
B777	9	142
Total	113	154
%	42%	58%

Source: Flightradar24

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THAI AIRWAYS INTERNATIONAL

Q3'2020 Financial Results

Total revenues of Thai and its subsidiaries were THB 3,727m (c.US\$ 118.9m), lower than the same quarter of last year by THB 41,289m (c. US\$ 1.32bn) or 91.7%. The main reason was because both revenue from passenger and cargo operations decreased by THB 37,654m (c. US\$ 1.20bn) or 95.1%. Total expenses were of THB 19,375m (c. US\$ 618.3m), THB 28,483m (c. US\$ 908.89m) or 59.5% lower than last year, mainly due to operating expenses that varied with traffic production, traffic demand and number of passengers decreased in line with production and traffic demand.

Moreover, fixed expense was still high while as revenue decreased greater than its expenses, thus resulting in operating loss of THB 15,648m (c. US\$ 499.4m), higher loss of THB 12,806m (c. US\$ 408.6m) or 450.6% from the same quarter last year. Thai reported a net loss of THB 21,531m (US\$ 687.1m), more loss of THB 16,851m (US\$ 537.7m) or 360.1% from the same quarter the previous year. This amount takes Thai's total loss for the first 9 months of the 2020/21 financial year to THB 49,560m (c. US\$ 1.58bn).

As of September 30, 2020, total assets rallied THB 298,952m (c. US\$ 9.54bn), increased by THB 44,144m (c. US\$ 1.41bn) or 17.3% from as at December 31, 2019. Total liabilities as of September 30, 2020 were THB 338,897m (c. US\$ 10.81bn), increased by THB 95,855m or (c. US\$ 3.06bn) or 39.4% from as of December 31, 2019. The Group had loss from operations since year 2013 resulting in the Group having a capital deficiency and lack of financial liquidity.

Airline Operations

In April 2020, the Thai government imposed strict travel restrictions for those wishing to enter and leave the country. An article published by FlightGlobal indicates that since restrictions were set, the number of international flights plummeted as April only saw 2,711 flights from Bangkok's Suvarnabhumi airport compared to January's 26,000 international flights. For the quarter ended 30 June, tourist arrivals into Thailand fell to an unprecedented zero.

In the third quarter of 2020, Thai recounted passenger production (ASK¹) decreased by 95.0% while passenger traffic (RPK²) decreased by 97.8%. Average cabin factor was 34.9% lower than last year which averaged 80.0%. Passengers carried were 0.49 million people, a decrease of 91.9% from the previous year. For cargo transportation, freight production (ADTK³) was 96.2% lower than the previous year, while freight traffic (RFTK⁴) was 93.6% lower than the previous year. Average Freight load Factor was 91.2% higher than the previous year at 52.2%.

Despite the lack of tourism, Thai have confirmed that they would be operating "semi-commercial" international repatriation flights in November to seven destinations (including London, Tokyo and Sydney). The flights are being organized in conjunction with Thailand's Ministry of Foreign Affairs and will be used to repatriate Thai citizens and deliver cargo. The flights will operate until the beginning of December and are open to passengers with "travel, education and business needs", including special tourist visa holders.

1 Available Seat Kilometres

2 Revenue Passenger Kilometres

3 Available Dead Load Ton-Kilometres

4 Revenue Freight-Ton Kilometres

Asset Manager's Report (continued)

Domestic services carried out by its subsidiary "Thai Smile", are improving since the carrier resumed operations on 1 June 2020. Data from Flightradar24 indicates that Thai Smile was operating 14 out of 20 A320 aircraft between 20 - 27 of November. During the same period of time, Thai Airways fleet comprised of the following:

Aircraft Type	Grounded	Active
A330	13	2
A350	9	3
A380	6	0
B747	8	0
B777	24	3
B787	8	0
Total	68	8
%	89%	11%

Source: Flightradar24

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Directors

As at 30 September 2020, the Company had four directors (the "Directors"), all of whom are independent and non-executive. All Directors held office throughout the period under review.

Robin Hallam (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 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 the International Society of Transport Aircraft Trading ("ISTAT") and was ranked Band 1 for Asset Finance in Chambers UK 2015.

David Gelber (Senior 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 numerous companies on several of which he serves as a director (DDCAP an arranger of Sharia Compliant transactions, Tellimer Ltd an online research platform for frontier markets, Veridium ID a biometric identification provider, Opportunity Network a B2B CEO platform and Singapore Life Ltd, a newly formed digital insurance company). 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 (Independent non-executive)

John Le Prevost 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 Investment Management, The Royal Bank of Canada and for Republic National Bank of New York. John was then CEO of Anson Group Limited from 1998 until he retired in 2019. He has during his career read for a law degree and an MBA and is a Full Member of the Society of Trust and Estate Practitioners. He is a trustee of the Guernsey Sailing Trust and is resident in Guernsey.

Laurence Barron (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 was 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, 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 under review and are likely to affect the Group's 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 21 to 47 and are incorporated herein by reference.

There were no other events or changes in the related parties and transactions with those parties during the period under review 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 2020.

Going Concern

The Group's principal activities are set out within the Company Overview on pages 6 to 7. The financial position of the Group is set out on page 18. 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 Directors in consultation with the Asset Manager are monitoring the effects of COVID-19 on the Group's financial position. The Group's future performance can potentially be further impacted should COVID-19 continue to have a pervasive and prolonged impact on the aviation industry and on the business of its lessees and also affect the residual values of the aircraft it owns. This may lead to the inability of lessees to pay rents as they fall due. These factors, together with wider economic uncertainty and disruption, are likely to have an adverse impact on the future value of the aircraft assets owned by the Group, as well as on the sale, re-lease, refinancing or other disposition of the relevant aircraft.

Any failure of a lessee to maintain its scheduled payments under its existing leases means the payments received, if any, may not be sufficient to meet the loan interest and regular capital repayments of debt scheduled during the life of each loan and may not provide surplus income to pay for the Group's expenses.

However, on the basis of (i) the Group's current liquid assets and (ii) cash-flow projections and contingency reserves under various scenarios (including default by Thai), the Directors nevertheless believe that the going concern basis of accounting is appropriate but there are material uncertainties.

Responsibility Statement

The Directors confirm that to the best of their knowledge:

- (a) the condensed set of consolidated financial statements, prepared in accordance with International Accounting Standard 34 Interim Financial Reporting 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 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.

Signed on behalf of the Board of directors of the Company on 7 December 2020.

John Le Prevost
Director

Consolidated Statement of Comprehensive Income

for the period from 1 April 2020 to 30 September 2020

	Notes	1 Apr 2020 to 30 Sep 2020 GBP	1 Apr 2019 to 30 Sep 2019 GBP
INCOME			
US Dollar based rent income	4	86,639,389	109,536,552
British Pound based rent income	4	17,312,742	22,758,325
Bank interest received		268,220	58,680
		104,220,351	132,353,557
EXPENSES			
Operating expenses	5	(4,734,513)	(3,502,169)
Provision for rent debtor impairment		(22,969,273)	–
Depreciation of Aircraft	9	(61,333,394)	(73,573,585)
		(89,037,180)	(77,075,754)
Net profit for the period before finance costs and foreign exchange gains		15,183,171	55,277,803
FINANCE COSTS			
Finance costs	10	(24,948,329)	(49,405,288)
Foreign exchange gains	18b	463,367	22,329
(Loss)/profit before tax		(9,301,791)	5,894,844
Income tax expense	23	(28,444)	(30,899)
(Loss)/profit for the period after tax		(9,330,235)	5,863,945
OTHER COMPREHENSIVE (LOSS)/ INCOME			
Translation adjustment on foreign operations	2d	(19,251,659)	40,259,905
Total Comprehensive (loss)/income for the period		(28,581,894)	46,123,850
		Pence	Pence
(Loss)/earnings per Share for the period - Basic and Diluted	8	(1.46)	0.91

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

The Notes on pages 21 to 42 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at 30 September 2020

	Notes	30 Sep 2020 GBP	31 Mar 2020 GBP
NON-CURRENT ASSETS			
Aircraft	9	1,588,043,255	1,714,508,850
		1,588,043,255	1,714,508,850
CURRENT ASSETS			
Accrued income	24	14,046,771	14,446,150
Short term investments	13	11,659,696	7,737,776
Receivables	12	8,179,065	7,478,539
Cash and cash equivalents	20	244,891,877	247,911,207
		278,777,409	277,573,672
TOTAL ASSETS		1,866,820,664	1,992,082,522
CURRENT LIABILITIES			
Payables	14	98,721,638	182,873
Deferred income	24	8,833,238	9,470,038
Borrowings	15	101,545,073	103,593,531
		209,099,949	113,246,442
NON-CURRENT LIABILITIES			
Financial liabilities at fair value through profit and loss	17	14,279,764	12,783,866
Security deposits	21	13,466,651	14,150,289
Maintenance reserves	22	58,603,859	59,444,834
Borrowings	15	1,039,022,783	1,129,651,234
Deferred income	24	27,268,272	30,666,285
		1,152,641,329	1,246,696,508
TOTAL LIABILITIES		1,361,741,278	1,359,942,950
TOTAL NET ASSETS		505,079,386	632,139,572
EQUITY			
Share capital	16	549,160,405	647,638,697
Foreign currency translation reserve		40,086,475	59,338,134
Retained deficit		(84,167,494)	(74,837,259)
		505,079,386	632,139,572
		Pence	Pence
Net Asset Value Per Share based on 428,166,757 (31 March 2020: 642,250,000) shares in issue		117.96	98.43

The financial statements were approved by the Board and authorised for issue on 7 December 2020.

The Notes on pages 21 to 42 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the period from 1 April 2020 to 30 September 2020

	Notes	1 Apr 2020 to 30 Sep 2020 GBP	1 Apr 2019 to 30 Sep 2019 GBP
OPERATING ACTIVITIES			
(Loss)/profit for the period after tax		(9,330,235)	5,863,945
Decrease in accrued and deferred income		(26,380,116)	(8,953,009)
Interest received		(268,220)	(58,680)
Depreciation of Aircraft	9	61,333,394	73,573,585
Provision for rent debtor impairment		22,969,274	–
Taxation expense	23	28,444	30,899
Loan and fair value adjustments on financial assets	10	24,099,830	48,356,236
Increase in payables		35,376	6,606
Maintenance reserves received		2,987,102	12,601,804
(Increase) /decrease in prepayments		(14,600)	1,385
Foreign exchange movement		(463,367)	(22,329)
Amortisation of debt arrangement costs	10	848,499	1,049,052
Taxation paid		(3,347)	–
NET CASH FROM OPERATING ACTIVITIES		75,842,034	132,449,494
INVESTING ACTIVITIES			
Interest received		268,220	58,680
Investment in short term deposits	13	(3,921,920)	–
NET CASH (USED IN) / RECEIVED FROM INVESTING ACTIVITIES		(3,653,700)	58,680
FINANCING ACTIVITIES			
Dividends paid	7	–	(26,492,812)
Repayments of capital on senior loans		(45,233,511)	(55,392,920)
Payments of interest on senior loans		(17,029,357)	(27,772,899)
Payments of interest on junior loans		(5,595,673)	(6,241,552)
Security trustee and agency fees	10	(103,583)	(143,642)
NET CASH USED IN FINANCING ACTIVITIES		(67,962,124)	(116,043,825)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		247,911,207	91,070,150
Increase in cash and cash equivalents		4,226,210	16,464,349
Exchange rate adjustment		(7,245,540)	3,280,400
CASH AND CASH EQUIVALENTS AT END OF PERIOD	20	244,891,877	110,814,899

The Notes on pages 21 to 42 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the period from 1 April 2020 to 30 September 2020

	Notes	Share Capital GBP	Retained Deficit GBP	Foreign Currency Translation Reserve GBP	Total GBP
Balance as at 1 April 2020		647,638,697	(74,837,259)	59,338,134	632,139,572
(Loss)/profit for the year		–	(9,330,235)	–	(9,330,235)
Total Comprehensive (loss) for the period		–	–	(19,251,659)	(19,251,659)
Share redemption		(98,478,292)	–	–	(98,478,292)
Balance as at 30 September 2020		549,160,405	(84,167,494)	40,086,475	505,079,386

	Notes	Share Capital GBP	Retained Earnings GBP	Foreign Currency Translation Reserve GBP	Total GBP
Balance as at 1 April 2019		647,638,697	11,636,798	43,302,960	704,578,455
Profit for the year		–	5,863,945	–	5,863,945
Total Comprehensive income for the period		–	–	40,259,905	40,259,905
Dividends paid	7	–	(26,492,812)	–	(26,492,812)
Balance as at 30 September 2019		647,638,697	(8,992,069)	85,562,865	724,209,493

The Notes on pages 21 to 42 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the period ended 30 September 2020

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 Lambda Limited, AA4P Mu Limited, AA4P Nu Limited, AA4P Leasing Ireland Limited, AA4P Leasing Ireland 2 Limited and AA4P Xi 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 admitted to trading on the 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 four Airbus A350-900 aircraft. Eight of the aircraft are leased to Emirates and four aircraft are leased to Thai Airways. During the 31 March 2020 financial year, two Airbus A380 aircraft were sold to Etihad after which the related subsidiaries were liquidated. 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 aircraft.

Rental income received is used to pay loan interest and regular capital repayments of debt. US Dollar lease rentals and loan repayments, with the exception of the four Thai aircraft which incorporate floating rate lease rentals, are furthermore fixed at the outset of the Group'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.

2. ACCOUNTING POLICIES

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

(a) Basis of preparation

The consolidated financial statements have been prepared in conformity with the International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union ("EU"), and applicable Guernsey law. The financial statements have been prepared on a historical cost basis under International Financial Reporting Standards.

This report is to be read in conjunction with the annual report for the year ended 31 March 2020 which is prepared in accordance with International Financial Reporting Standards as adopted by the EU and any public announcements made by the Company during the interim reporting period. The report does not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected accounting policies and explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

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 2019 to 30 September 2019. The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out overleaf:

Changes in accounting policies and disclosure

New and amended IFRS Standards that are effective for the current period

The following Standard and Interpretation issued by the International Accounting Standards Board (the "IASB") and International Financial Reporting Standards Interpretations Committee ("IFRIC") has been adopted in the current period. The adoption has not had any impact on the amounts reported in these financial statements and is not expected to have any impact on future financial periods:

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

2. ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

Changes in accounting policies and disclosure (continued)

New and amended IFRS Standards that are effective for the current period (continued)

IAS 1 'Presentation of financial statements' and IAS 8 'Accounting policies, changes in accounting estimates and error' on definition of material – These amendments to IAS 1, IAS 8 and consequential amendments to other IFRSs: use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; clarify the explanation of the definition of material; and incorporate some of the guidance in IAS 1 about immateriality information. The effective date is for annual periods beginning on or after 1 January 2020. The standard is not expected to have a material impact on the financial statements or performance of the Fund and is endorsed by the EU.

New and Revised Standards in issue but not yet effective

IFRS 16 'Leases' – Covid-19 related rent concessions. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The standard is not expected to have a material impact on the financial statements or performance of the Group as it is applicable to lessees. The effective date is for annual periods beginning on or after June 2020. The standard is not expected to have a material impact on the financial statements or performance of the Group and is not endorsed by the EU.

IAS 1 'Presentation of financial statements' Classification of Liabilities as Current or Non-current. The International Accounting Standards Board issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The effective date is for annual periods beginning on or after 1 January 2023. The standard is not expected to have a material impact on the financial statements or performance of the Group and is not endorsed by the EU.

(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 which grants it exposure to variable returns from the entities and the power to affect those returns, granting it control in accordance with IFRS 10.

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 and AA4P Leasing Ireland 2 Limited are Irish tax resident trading companies, they will not be subject to Guernsey tax, but their net lease rental income earned (after tax deductible expenditure) will be taxable as trading income at 12.5% under Irish tax regulations. Please refer to Note 23 for more information.

(d) 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. The Subsidiaries of the Company all have the same functional currency being US Dollar ("USD").

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.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

2. ACCOUNTING POLICIES (continued)

(d) Foreign currency translation (continued)

On consolidation 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 or at the average exchange rates at each respective quarter end, as long as this is not rendered inappropriate as a basis for translation by major fluctuations in the exchange rate during the period; unrealised gains and losses arising from the translation of the financial statements of foreign subsidiaries are recorded under "Translation adjustment on foreign operations" in other comprehensive income to be recycled to income. The cumulative gains and losses arising from the translation of the financial statements of foreign subsidiaries are reclassified to profit and loss on disposal or liquidation of foreign subsidiaries.

(e) 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.

(f) Segmental reporting

The Directors have overall responsibility for the Group's activities, including investment activity and are therefore considered the chief operating decision maker.

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"). For more information on segmental information please refer to note 26.

(g) Going concern

The Directors have prepared these financial statements for the period ended 30 September 2020 on the going concern basis. However, the Directors have identified the matters referred to below which may indicate the existence of one or more material uncertainties that may cast doubt on the Group's ability to continue as a going concern and that the Group may, as a consequence, be unable to realise its assets and discharge its liabilities in the normal course of business.

Following the going concern assessment included in the annual report for the year ended 31 March 2020, the Directors believe that international travel has not rebounded in the way predicted at the start of the COVID-19 crisis. Airlines have used up much of the liquidity provided to them by governments and shareholders, but the expected restoration in air travel has been blighted by poor COVID-19 testing facilities, lack of coordinated action by governments, increased infection rates and the expected ending of many of the most generous furlough schemes.

In the case of materialisation of the risk related to the lessee counterparty creditworthiness, the fixed rents receivable under the leases may not be sufficient to meet the loan interest and regular capital repayments of debt scheduled during the life of each loan and may not provide surplus income to pay for the Group's expenses.

As announced on 6 April 2020 the Board decided to temporarily suspend the declaration of dividends until the future prospects of the Group's two lessees becomes more assured. Such a decision was made after the Board had carefully considered and assessed the above mentioned factors against the background of the Company's investment objectives and the maintenance of the long-term financial stability of the Company for the benefit of all shareholders as a class and the Group's creditors.

However, pursuant to the announcement released by the Company on 23 September 2020, the directors of the Company declared an interim dividend of 1.15 pence per Redeemable Ordinary Share in respect of the financial year ending 31 March 2021.

The Board will continue to monitor actively the financial impact on the Company and its Group resultant from the evolving position with its aircraft lessees and lenders whilst bearing in mind its fiduciary obligations and the requirements of Guernsey law which determine the ability of the Company to make dividends and other distributions.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

2. ACCOUNTING POLICIES (continued)

(g) Going concern (continued)

The Group's aircraft with carrying values of £1,588,043,255 (31 March 2020: £1,714,508,850) are pledged as security for the Group's borrowings (see note 15).

Thai Airways

Thai Airways has deferred restarting operations, this time until second quarter 2021 and the Group's A350-900 aircraft consequently remain grounded. The aircraft have been recently inspected and at the time of such inspection were being maintained in "flight ready" status as opposed to long term storage status.

As noted in the annual report for the year ended 31 March 2020, on 27 May 2020 the Central Bankruptcy Court of Thailand issued an order to accept the rehabilitation petition for consideration and set the date of 17 August for the first hearing on the rehabilitation petition. Effectively, from 27 May an automatic stay comes into effect which restricts Thai's right to pay and incur debts and a moratorium affecting creditors' rights comes into force. Thai Airways has not paid any lease payments to the Company's subsidiaries since 22 May.

Following hearings on 17, 20 and 25 August that included the presentation of objections and evidence from a small number of creditors, the Court approved Thai's request on 14 September 2020. From such time, the Court approved a seven-member "Planning Committee", who will now proceed to strategize the carrier's rehabilitation and seek to restructure Thai's debt and lease obligations amongst other matters with a view to obtaining majority creditor and Court approval.

The Directors, together with the support of the Asset Manager, are in discussions with Thai Airways and also the secured lenders of the four aircraft on lease to Thai Airways following the non- receipt of rentals from Thai and the initial request for concessions. The Asset Manager is also commencing dialogue with the Planners and has maintained contact with the secured lenders of the four aircraft on lease to Thai.

The Asset Manager awaits further news of the Planners' intentions, which might not become clear until the end of 2020. In the meantime, discussions have commenced around the potential for Thai to start operation of certain aircraft, which could possibly include the Group's aircraft, on a power by the hour (PBH) basis in order for the Group to earn some income as opposed to the aircraft remaining in temporary storage. Separately, the Thai government is involved in discussion with eight other Thai airlines to provide potential COVID-19 related support through a US\$770m package. Thai Airways have been excluded from this discussion at present due to the rehabilitation process, but separate discussions may occur and further details are awaited regarding this matter.

Going Concern Assessment

While the Group has made a loss in the current period, it is in a current net asset position and continues to generate strong positive operating cash flows. The Group's cash levels rose significantly due to the sale of two A380-800 aircraft on 25 February 2020 in the prior financial year. The sales included the full repayment of the financing arrangements on both aircraft, including applicable swap breakage and facility prepayment costs.

The Board decided to return to Shareholders c.£98.5 million on 25 September 2020 by way of a compulsory redemption of one-third of the ordinary shares in the capital of the Company (being the redemption of approximately 214,083,243 Shares) at a redemption price of 46 pence per each redeemed share.

During the current period, due to the non-payment of lease rentals by Thai Airways, a provision has been raised for the impairment of amounts due in full (see the Consolidated Statement of Comprehensive Income) as being considered prudent in the circumstances.

The Asset Manager has also arranged with Thai lenders that debt service can be limited to interest only on a three monthly basis and are seeking to extend that arrangement. The Board therefore anticipates that the Group may have to fund interest for a possibly longer period from its existing liquidity in a worst case scenario whilst the rehabilitation process is completed and assuming the lenders are willing to grant principal deferrals for that period in full. Due to the current economic climate and current negotiations with lessees and lenders in process, the Board has decided to create a contingency reserve of £30m to cover 18 months interest and funds to allow the Group to repossess, store, remarket and return to service its aircraft in 2022/23; if such became necessary as a last resort.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

2. ACCOUNTING POLICIES (continued)

(g) Going concern (continued)

Going Concern Assessment (continued)

The Board is also of the opinion that the Planner's initial timeline of having a plan agreed with all creditors within Q4 this year, and implemented and working within Q1 next year, as being optimistic. The Board is therefore working on the basis that the timeline should be realistically shifted at least two quarters further out and that the Group will receive little or no income before the end of Q2 next year from the Thai leases.

Whilst progress has been made, the Directors are uncertain as to the final outcome of these matters.

However, on the basis of (i) the Group's current liquid assets and (ii) cash-flow projections and contingency reserves as described above under various scenarios (including default by Thai), the Directors nevertheless believe that the going concern basis of accounting is appropriate but there are material uncertainties.

(h) Leasing and rental income

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 four A350-900 aircraft have variable lease rentals, the variable portion of which is treated as contingent rent. Contingent rent is recognised in the period in which it is earned.

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 the period end and any new leases entered into from new aircraft acquisitions during the period.

(i) Maintenance reserve and security deposits liabilities

In many aircraft operating lease contracts, the lessee has the obligation to make periodic payments which are calculated with reference to utilisation of airframes, engines and other major life-limited components during the lease. In most lease contracts, upon presentation by the lessee of the invoices evidencing the completion of qualifying work on the aircraft, the Group reimburses the lessee for the work, up to a maximum of the advances received with respect to such work.

The Group records such amounts as maintenance advances. Maintenance advances not expected to be utilised within one year are classified as non-current liabilities. Amounts not refunded during the lease are recorded as lease revenue at lease termination. Further details are given in note 22.

Security deposits represent amounts paid by the lessee as security in accordance with the lease agreements. The deposits are repayable to the lessees on the expiration of the lease agreements subject to satisfactory compliance of the lease agreements by the lessees.

(j) Property, plant and equipment – Aircraft

In line with IAS 16 Property Plant and Equipment, each Asset is initially recorded at cost, being 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 costs to the Group. Accumulated depreciation and any recognised impairment losses are deducted from cost to calculate the carrying amount of the Asset.

(a) Depreciation

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 twelve years, using the straight line method. The depreciation method is consistent with the depreciation method used at 31 March 2020. The Group will again be carrying out a full and thorough appraisal of residual values come the next March financial year end.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

2. ACCOUNTING POLICIES (continued)

(j) Property, plant and equipment – Aircraft (continued)

(b) Impairment

At each audited reporting 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). Further details are given in note 3.

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.

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

(a) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets

Subsequent measurement of financial assets depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its financial assets into the following measurement category:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains / (losses), together with foreign exchange gains and losses. Provision for impairment losses are included in the statement of profit or loss.

Financial assets currently measured at amortised cost are cash and cash equivalents, receivables and short term investments. These instruments meet the solely principal and interest criterion and are held in a held-to-collect business model. Accordingly, they will continue to be measured at amortised cost under IFRS 9.

Derivative instruments

Changes in the fair value of financial assets at FVPL are recognised in the statement of profit or loss as applicable.

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in profit or loss 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 profit or loss in the period in which they arise.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

2. ACCOUNTING POLICIES (continued)

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

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its receivables or accrued income carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Refer to note 12 for provision for impairment with respect to trade and other receivables.

(l) Non-derivative financial liabilities

Financial liabilities consist of payables, security deposits and borrowings. The classification of financial liabilities at initial recognition will be at amortised cost to the extent it is not classified at FVTPL. 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.

Amortised cost: Interest expenses from financial liabilities is included in finance costs using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains / (losses), together with foreign exchange gains and losses.

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, to the net carrying amount on initial recognition. Associated costs are subsequently amortised on an effective interest rate basis over the life of the loan and are shown net on the face of the Consolidated Statement of Financial Position over the life of the lease.

(m) Net Asset Value

In circumstances where the Directors are of the opinion that the 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 a more useful value of the Group and shares in the capital of the Company, which they consider more accurately reflects the value of the Group.

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.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements. As such only the significant judgements and estimates are included that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

KEY SOURCES OF ESTIMATION UNCERTAINTY

Residual value of Aircraft used in depreciation calculation

As described in Note 2 (j), 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.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

The estimation of residual value remains subject to uncertainty. If the estimate of residual value in USD terms, had for instance, 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 £8.76 million (30 September 2019: £9.76 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.

Impairment

Factors that are considered important which could trigger an impairment review include, but are not limited to, significant decline in the market value beyond that which would be expected from the passage of time or normal use, significant changes in the technology and regulatory environments, evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected. The Board together with the Asset Manager decided that it was prudent to conduct an impairment test in the year ended 31 March 2020.

As described in note 2(j), 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 the Assets at each audited reporting 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 Board has considered the carry book value of its Aircraft and discussed whether in light of recent announcements since 1 April 2020, whether an impairment review needs to be carried out again at this juncture. On the advice of its Asset Manager, the conclusion reached was that whilst it would be wise not to lay too great a reliance on the current carry book value as a measure of net asset value for investment purposes, there were still too few new data points available on which a new appraisal post 31 March 2020 can be relied on at the 30 September 2020 period end. The Group will again be carrying out a full and thorough appraisal of residual values come the next March financial year end.

4. RENTAL INCOME

	1 Apr 2020 to 30 Sep 2020 GBP	1 Apr 2019 to 30 Sep 2019 GBP
US Dollar based rent income	83,244,474	100,609,235
Revenue earned but not yet received	1,272,105	6,838,671
Revenue received but not yet earned	(84,231)	(133,411)
	84,432,348	107,314,495
Amortisation of advance rental income (US Dollar)	2,207,041	2,222,057
	86,639,389	109,536,552
British Pound based rent income	17,296,815	22,732,633
Revenue earned but not yet received	55,369	75,002
Revenue received but not yet earned	(39,442)	(49,310)
	17,312,742	22,758,325
Total rental income	103,952,131	132,294,877

Rental income is derived from the leasing of the Assets. US Dollar based rent represents rent received in USD and British Pound based rent represents rent received in "GBP". Rental income received in USD is earned by the subsidiaries and is consolidated by translating it into the functional currency (GBP) at the average rate for the period.

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. The four A350-900 aircraft have variable lease rentals, the variable portion of which is treated as contingent rent. Contingent rent is recognised in the period in which it is earned.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

4. RENTAL INCOME (continued)

The contingent rent for the period ended 30 September 2020 is £547,014 per annum (30 September 2019: £3,793,974).

5. OPERATING EXPENSES

	1 Apr 2020 to 30 Sep 2020 GBP	1 Apr 2019 to 30 Sep 2019 GBP
Corporate and shareholder adviser fee	1,239,061	1,206,969
Asset management fee	2,527,331	1,719,076
Administration fees	238,034	241,715
Bank charges	3,568	4,852
Registrar's fee	8,020	8,783
Audit fee	53,322	27,457
Directors' remuneration	134,532	134,532
Directors' and Officers' insurance	44,227	20,046
Legal and professional expenses	371,656	55,952
Annual regulatory fees	9,154	10,924
Sundry costs	105,608	71,863
	4,734,513	3,502,169

6. DIRECTORS' REMUNERATION

With effect from 1 January 2019, the directors fees are £61,500 per annum with the Chairman receiving an additional fee of £15,375 per annum and the Chair of the audit an additional £7,688 per annum.

7. DIVIDENDS IN RESPECT OF SHARES

	1 Apr 2020 to 30 Sep 2020	
	GBP	Pence per Share
First dividend	–	–
Second dividend	–	–
	–	–

	1 Apr 2019 to 30 Sep 2019	
	GBP	Pence per Share
First dividend	13,246,406	2.0625
Second dividend	13,246,406	2.0625
	26,492,812	4.1250

Refer to note 27 for the dividend declared after the period end.

8. (LOSS)/EARNINGS PER SHARE

(Loss)/earnings per Share ("EPS") is based on the loss for the period of £9,330,235 and 639,910,292 shares (30 September 2019: profit of £5,863,945 and 642,250,000 Shares) being the weighted average number of Shares in issue during the period.

There are no dilutive instruments and therefore basic and diluted EPS are identical.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

9. PROPERTY, PLANT AND EQUIPMENT – AIRCRAFT

	Aircraft 30 Sep 2020 GBP	Aircraft 31 Mar 2020 GBP
COST		
Aircraft purchases – opening balance	1,927,735,270	2,414,868,310
Acquisition costs – opening balance	8,364,798	10,277,000
Disposals	–	(551,967,489)
Translation adjustment on foreign operations*	164,537,883	312,026,871
Cost as at period/year end	2,100,637,951	2,185,204,692
ACCUMULATED DEPRECIATION, IMPAIRMENT AND AMORTISATION		
Opening balance	470,695,842	360,615,169
Depreciation for the current period/year based on previous year residual values	61,144,782	141,530,508
Amortisation of acquisition costs on aircraft	188,612	918,342
Adjustment due to movement in USD residual values*	–	16,156,765
Net depreciation charge on all aircraft for the period/year	61,333,394	158,605,615
Disposals	–	(113,627,384)
Translation adjustment on foreign operations*	(19,434,540)	21,922,424
Accumulated depreciation as at period/year end	512,594,696	427,515,824
Adjustment due to impairment	–	43,714,477
Translation adjustment on foreign operations*	–	(534,459)
Accumulated depreciation and impairment as at period/year end	512,594,696	470,695,842
Carrying amount - opening balance	1,714,508,850	2,247,415,403
Carrying amount as at period/year end	1,588,043,255	1,714,508,850

* The Group believes that the use of forecast market values excluding inflation best approximates residual value as required per IAS 16 Property, Plant and Equipment (refer to note 3). In 2019 the decision was made by the Board to re-designate the functional currency of the subsidiaries to USD and to classify them as foreign operations. Therefore the carrying values of the aircraft in the subsidiaries in USD have been re-translated at the closing Sterling / US Dollar exchange rate at 30 September 2020 (and 31 March 2020) for consolidation purposes through "Translation adjustment on foreign operations".

In order to complete purchases of the aircraft, subsidiaries of the Company have entered into debt financing agreements with a senior fully amortising loan and junior balloon loan (see note 15). The Company used the equity proceeds (see note 16) in addition to the finance agreements to finance the acquisition of the aircraft. Subject to the below, rentals under each lease are sufficient to pay the senior loan payment (being capital and interest and junior loan payments due (being interest only), also in USD.

Exceptions to the above include senior loans with an outstanding balance of £308,997,913 (31 March 2020: £332,946,866) at period end, which have balloon capital payments on maturity. Any junior loan principal and senior loan capital due at maturity, is expected to 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 16 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.

In the prior year on 25th February 2020, the Group announced its completion of the sale of two A380-800 aircraft. The sales included the full repayment of the financing arrangements on both aircraft, including applicable swap breakage and facility prepayment costs.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

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

The Group's aircraft with carrying values of £1,588,043,255 (31 March 2020: £1,714,508,850) are pledged as security for the Group's borrowings (see note 15).

Refer to note 3 for consideration by the Group with respect to an impairment test for the period.

Change in estimate

The Group conducted a review on the aircraft held at 31 March 2020, which resulted in changes in the residual value of the aircraft at the end of the lease. The effect of these changes on depreciation are included in the 31 March 2020 reconciliation of accumulated depreciation and amortisation table above where the depreciation before and after the residual value adjustment is noted.

10. FINANCE COSTS

	1 Apr 2020 to 30 Sep 2020 GBP	1 Apr 2019 to 30 Sep 2019 GBP
Amortisation of debt arrangements costs	848,499*	1,049,052*
Interest payable on loan**	22,500,349*	34,527,664*
Security trustee and agency fees	103,583	143,642
Fair value adjustment on financial assets at fair value through profit and loss (see Note 17)	1,495,898	13,684,930
	24,948,329	49,405,288

*Included in Finance costs is interest on amortised cost liability for the period of £23,348,848 (30 September 2019: £35,576,716)

** This amount includes £219,141 interest income (30 September 2019: £87,907 interest income) from the interest rate swaps.

11. OPERATING LEASES

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

	30 September 2020		30 September 2019	
	US Dollar based rent income Months GBP	British Pound based rent income Years GBP	US Dollar based rent income Years GBP	British Pound based rent income Total GBP
Year 1	156,051,880	34,668,972	201,600,025	45,446,952
Year 2	162,145,892	34,769,655	199,712,165	45,446,952
Year 3	162,145,892	34,769,655	199,712,165	45,446,952
Year 4	162,145,893	34,769,655	199,712,165	45,446,952
Year 5	162,145,893	34,769,654	199,712,164	45,446,952
Year 6 onwards	440,160,835	66,435,360	766,596,539	149,982,057
	1,244,796,285	240,182,951	1,767,045,223	377,216,817

The twelve (2019: fourteen) assets all have an initial lease term of twelve years with lease end dates ranging from September 2026 to January 2030.

At the end of each lease the lessee has the right to exercise an option to purchase the Asset at the discretion of the Company. 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.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

12. RECEIVABLES

	30 Sep 2020 GBP	31 Mar 2020 GBP
Prepayments	149,560	140,087
Vat receivable	5,127	–
	154,687	140,087
Accrued rental income	30,993,651	7,338,452
Provision for impairment of accrued rental income	(22,969,273)	–
	8,024,378	7,338,452
	8,179,065	7,478,539

The above carrying value of receivables is deemed to be materially equivalent to fair value, given that they are short term in nature.

13. SHORT TERM INVESTMENTS

Bank	Rate %	Maturity date	30 Sep 2020 GBP	31 Mar 2020 GBP
Bank of Nova Scotia	0.84	6 Jul 2020	–	1,001,614
UBS AG	0.935	20 Oct 2020	–	1,705,105
Lloyds Bank	0.95	13 Nov 2020	–	1,705,060
Credit Suisse	0.98	18 Nov 2020	–	1,705,324
Santander UK plc	1.83	25 Jan 2021	787,858	811,090
Standard Chartered Bank	1.73	12 Feb 2021	786,795	809,583
HSBC Bank plc	0.97	6 Jan 2021	151,431	–
Cooperatieve Rabobank	0.84	11 Jan 2021	201,235	–
Santander UK plc	0.09	1 Feb 2021	1,700,259	–
Santander UK plc	0.23	16 Mar 2021	1,001,308	–
HSBC Bank plc	0.65	4 May 2021	704,092	–
BNP Paribas London Branch	0.47	18 Jun 2021	1,003,839	–
Skandinaviska Enskilda Banken	0.26	24 Jun 2021	1,702,925	–
Barclays Bank	0.39	28 Jun 2021	1,705,147	–
HSBC Bank plc	0.25	6 Aug 2021	750,982	–
UBS AG	0.48	28 May 2021	776,250	–
Canadian Imperial Bank of Commerce	0.4	6 Jul 2021	387,575	–
			11,659,696	7,737,776

The above investments represent certificates of deposits and are held by HSBC Securities Services in London under a custody agreement between Ravenscroft Cash Management and HSBC Bank plc for Global Custody Services.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

14. PAYABLES

	30 Sep 2020 GBP	31 Mar 2020 GBP
Accrued administration fees	34,107	44,117
Accrued audit fee	50,514	68,864
Accrued registrar fee	1,275	3,059
Other accrued expenses	65,782	262
Taxation payable	91,668	66,571
Share redemption payable	98,478,292	–
	98,721,638	182,873

The above carrying value of payables is equivalent to the fair value due to their short term maturity period and nature as repayable on demand.

15. BORROWINGS

	30 Sep 2020 GBP	31 Mar 2020 GBP
Borrowings		
Bank loans	1,153,264,666	1,247,317,838
Total associated costs	(12,696,810)	(14,073,073)
	1,140,567,856	1,233,244,765

	30 Sep 2020 GBP	31 Mar 2020 GBP
Consisting of:		
Senior loans (\$1,201,565,049 at 30 September 2020, \$1,259,670,653 at 31 March 2020)	930,003,908	1,014,227,579
Junior loans (\$272,048,622 at 30 September 2020, (\$272,019,345 at 31 March 2020)	210,563,948	219,017,186
	1,140,567,856	1,233,244,765
Borrowings		
Non-current portion	1,039,022,783	1,129,651,234
Current portion (senior loans only)	101,545,073	103,593,531
	1,140,567,856	1,233,244,765

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

15. BORROWINGS (continued)

The tables below detail the future contractual undiscounted cash flows in respect of the senior and junior loans, 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 2020 GBP	31 Mar 2020 GBP
Borrowings: Amount due for settlement within 12 months	141,857,962	151,651,846
Consisting of:		
Senior loans covered by lease rental receipts (capital and interest)	130,792,763	140,139,040
Repayments of junior debt covered by lease rental receipts (interest only except for B1 Junior loan)	11,065,199	11,512,806
Borrowings: Amount due for settlement after 12 months and before 60 months	572,435,311	608,416,635
Consisting of:		
Senior loans covered by lease rental receipts (capital and interest)	528,206,931	562,396,143
Repayments of junior debt covered by lease rental receipts (interest only except for B1 Junior loan)	44,228,380	46,020,492
Borrowings: Amount due for settlement after 60 months	641,738,918	701,713,951
Consisting of:		
Senior loans covered by lease rental receipts (capital and interest) and uncovered senior loans (for balloon payment at maturity)	408,715,886	453,577,466
Repayments of junior debt covered by lease rental receipts (interest only except for one of the junior loans) and uncovered (capital repaid at maturity)	233,023,032	248,136,485

Loans with an outstanding balance of £831,569,943 (31 March 2020: £904,088,779) have fixed interest rates over the term of the loans. Of this total loans with an outstanding balance of £293,037,264 (31 March 2020: £317,722,925) although having variable rate interest, also have associated interest rate hedging contracts issued by the lenders in effect fixing the loan interest over the terms of the loans. Loans with an outstanding amount of £308,997,913 (31 March 2020: £329,155,986) at period end 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.

Transaction costs of arranging the loans have been deducted from the carrying amount of the loans and will be amortised over their respective lives.

On 25th February 2020, the Group announced its completion of the sale of two A380-800 aircraft. The sales included the full repayment of the financing arrangements on both aircraft, including applicable swap breakage and facility prepayment costs. This included the settlement of the *Ijarah* Finance.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

16. SHARE CAPITAL

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

	30 Sep 2020 Ordinary Shares	31 Mar 2020 Ordinary Shares
Issued		
Opening balance	642,250,000	642,250,000
Shares redeemed	(214,083,243)	–
Total number of shares as at period/year end	428,166,757	642,250,000

	30 Sep 2020 Ordinary Shares GBP	31 Mar 2020 Ordinary Shares GBP
Issued		
Ordinary Shares		
Opening balance	655,585,000	655,585,000
Shares redeemed	(98,478,292)	–
Share issue costs	(7,946,303)	(7,946,303)
Total share capital as at period/year end	549,160,405	647,638,697

The Company's total issued Share capital at 30 September 2020 was 428,166,757 Shares, none of which were held in treasury.

Therefore the total number of voting rights in issue was 428,166,757.

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.

As announced on 23 September 2020, the Board of directors of the Company resolved on that date to redeem one ordinary share for every three existing ordinary shares of shareholders on the register of members as at close of business on 25 September 2020 (the "Redemption Record Date"). Accordingly, 214,083,243 ordinary shares were redeemed and have now been cancelled.

The redemption proceeds due on the redemptions of these ordinary shares were paid on 9 October 2020.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

17. 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.
- (c) Interest rate swaps.
- (d) Security deposits.
- (e) Short term investments.

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 held by the Group at the reporting date:

	30 Sep 2020	31 Mar 2020
	GBP	GBP
Financial assets		
Cash and cash equivalents	244,891,877	247,911,207
Short term investments	11,659,696	7,737,776
Accrued rental income*	8,024,378	7,338,452
	264,575,951	262,987,435

*This amount represents rent due but not yet received and net of provision for impairment (see note 12) and is included within Receivables on the Statement of Financial Position.

	30 Sep 2020	31 Mar 2020
	GBP	GBP
Financial liabilities		
Payables and security deposits	112,188,289	14,333,162
Financial liabilities at fair value through profit and loss	14,279,764	12,783,866
Debt payable (including <i>Ijarah</i> financing in the prior year)	1,153,264,666	1,247,317,838
	1,279,732,719	1,274,434,866

Derivative financial instruments

The following table shows the Company's derivative position as at 30 September 2020 with a comparative table as at 31 March 2020:

	30 Sep 2020	31 March 2020
Financial liabilities at fair value (£)	14,279,764	12,783,866
Notional amount (USD)	397,651,898	407,251,340
Notional amount (GBP)	307,780,107	327,899,630

The maturity dates range from 13 April 2028 to 21 August 2028 (31 March 2020: 13 April 2028 to 21 August 2028).

The decrease in the fair value of the Interest Rate Swaps for the year of £1,495,898 (31 March 2020: decrease of £26,496,358) is reflected in Finance Costs in note 10. The notional amount amortises in line with the underlying liability.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

These half yearly financial statements do not include all financial risk management information and disclosures required in the annual financial statements; as such they should be read in conjunction with the Group's annual financial statements as at 31 March 2020.

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 Board 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 ability to continue as a going concern while maximising return to Shareholders through the optimisation of debt and equity balances.

The capital structure of the Group consists of debt, which includes borrowings disclosed in Note 15, 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.

On 6 April 2020 the Board announced that it was temporarily suspending the declaration of dividends. However the Board announced the declaration of a dividend subsequent to the period end (refer to note 27).

The Board decided to return to Shareholders £98.5 million on 25 September 2020 by way of a compulsory redemption of one-third of the ordinary shares in the capital of the Company (being the redemption of approximately 214,083,243 Shares) at a redemption price of 46 pence per each redeemed share. Accordingly, 214,083,243 ordinary shares were redeemed and have now been cancelled.

(b) Foreign currency risk

The Group endeavoured to mitigate the risk of foreign currency movements by matching its USD rentals with USD debt to the extent necessary.

Lease rentals (as detailed in Notes 4 and 11) are received in USD and GBP. Rental income received in USD 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. USD 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 and/or any accumulated GBP rental income not distributed.

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

The USD/GBP exchange rate was 1.2920 at 30 September 2020 (1.2420 at 31 March 2020).

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 British Pound. Transactions in similar assets are typically priced in USD.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(c) Credit Risk

Credit risk refers to the risk that a 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 2020 GBP	31 Mar 2020 GBP
Cash and cash equivalents	244,891,877	247,911,207
Short term investments	11,659,696	7,737,776
Accrued rental income (gross - see note 12)	30,993,652	7,338,452
	287,545,225	262,987,435

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 P-1, P-1, P-1, P-1 and P-2 (31 March 2020: A1, Aa2, Aa2, A3 and A2) respectively. Surplus cash in the Subsidiaries is held in accounts with RBSI and Westpac, which have credit ratings given by Moody's of P-1 and P-1 (31 March 2020: A3 and Aa2) respectively.

Short term investments relate to deposits held with Bank of Novia Scoria, UBS, Lloyds, Credit Suisse, Santander UK, Standard Chartered, HSBC, Cooperatieve Rabobank, BNP Paribas, Skandinaviska Enskilda, Barclays and Canadian Imperial which all have the same credit rating given by Moody's of P-1 (31 March 2020: P-1).

The credit quality and risk of lease transactions with counterparty airlines is evaluated upon conception of the transaction. In addition, ongoing updates as to the operational and financial stability of the airlines are provided by the Company's Asset Manager in its quarterly reports to the Company.

The COVID-19 pandemic has resulted in widespread restrictions on the ability of people to travel and such has had a material negative effect on the airline sector, and by extension the aircraft leasing sector. This may lead to the inability of airlines to pay rent as they fall due.

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 and Thai Airways is regularly reviewed by the Directors and the Asset Manager. The Group generally requires its customers to pay rentals in advance and provide collateral in the form of cash or letters of credit as security deposits for leases. Security deposits 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 the four A350-900 aircraft. However, the security deposits do not cover the full value of the Group's obligations pursuant to the loan agreements in the event of termination of the leases or default by Emirates or Thai Airways.

In the case of materialisation of the risk related to the lessee counterparty creditworthiness and described in more detail in note 2(g) Going Concern, the fixed rents receivable under the leases may not be sufficient to meet the loan interest and regular capital repayments of debt scheduled during the life of each loan and may not provide surplus income to pay for the Group's expenses.

The Group's most significant counterparties are Emirates and Thai Airways as lessees and providers of income. Both of the Group's lessees do not currently have a credit rating.

Refer to note 2(g) Going Concern for further details on the current status of the Group's lessees and 2(i) for further details on the maintenance reserves and security deposits.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit Risk (continued)

The Group assesses on a forward looking basis the expected credit losses associated with its accrued rental income carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group has chosen to apply the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. During the current period, due to non-payment of lease rentals by Thai Airways as explained in note 2(g), a provision has been raised for the impairment of amounts due in full (see the Consolidated Statement of Comprehensive Income) as considered prudent in the circumstances. Apart from the receivables from Thai Airways, the accrued rental income and receivables at amortised cost at year end are short-term (i.e. no longer than 12 months) and have been settled after year end. Except for the accrued rental with respect to Thai Airways, any identified impairment losses on such assets are not significant.

The Group has considered the effects of the expected credit loss on cash and is satisfied that no expected credit loss is required as it is not considered material.

(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 such as capital repayments of junior debt at the end of the lease. The Group's main financial commitments are its ongoing operating expenses and repayments on loans.

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

Subsequent to the period end, a dividend was declared as detailed in note 27 Subsequent Events. Consideration will be given to any future use of accumulated rental income, 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.

Refer to note 2(g) Going Concern for further details on the current status of arrangements that are being put in place with lenders.

As announced on 23 September 2020, the Board of Directors of the Company resolved on that date to redeem one ordinary share for every three existing ordinary shares of shareholders on the register of members as at close of business on 25 September 2020 (the "Redemption Record Date"). Accordingly, 214,083,243 ordinary shares were redeemed and have now been cancelled.

In addition to the bank loans, the Group may from time to time use borrowings. To this end the Group may arrange an overdraft facility for efficient cash management. The Directors intend to restrict borrowings other than the bank loans to an amount not exceeding 15 per cent. of the net asset value of the Group at the time of drawdown. Borrowing facilities will only be drawn down with the approval of the Directors on a case by case basis.

(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 or on debt repayments.

With the exception of loans with an outstanding balance of £308,997,913 (31 March 2020: £329,155,986) as at period end, the Group mitigates interest rate risk by fixing the interest rate on the bank loans (as well as in respect of loans with an outstanding balance of £643,414,216 (31 March 2020: £317,722,925) as at period end, which have an associated interest rate swap to fix the loan interest).

If a reasonable possible change in interest rates had been 100 basis points higher/lower throughout the period and all other variables were held constant, the Group's net assets attributable to shareholders as at 30 September 2020 would have been £2,289,312 (31 March 2020: £2,364,781) greater/lower due to an increase/decrease in the amount of interest receivable on the bank balances.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

19. ULTIMATE CONTROLLING PARTY

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

20. CASH AND CASH EQUIVALENTS

	30 Sep 2020	31 March 2020
	GBP	GBP
Bank balances	244,891,877	247,911,207
	244,891,877	247,911,207

Included in the cash and cash equivalents are secured cash deposits of £72,070,510 (31 March 2020: £73,595,123) in respect of security deposits and maintenance reserves.

21. SECURITY DEPOSITS

	30 Sep 2020	31 March 2020
	GBP	GBP
Security deposit liability	13,466,651	14,150,289
	13,466,651	14,150,289

The Security deposits are held in relation to funds received at the period end for the timely and faithful performance of the lessees' (Thai) obligations under the lease agreements for the four A350-900 aircraft. Security deposits are contractually bound to be repaid if not utilised. The deposits are repayable to the lessees on the expiration of the lease agreements and have accordingly been classified as non-current. Refer to note 2(i) for accounting policies adopted on the security deposits.

22. MAINTENANCE RESERVES

	30 Sep 2020	31 March 2020
	GBP	GBP
Balance at 1 April	59,444,834	32,365,575
Movements for the period/year	(840,975)	27,079,259
Balance at period end	58,603,859	59,444,834

The 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 the four A350-900 aircraft. Amounts accumulated in the maintenance reserve will be repaid only as re-imburements for actual maintenance expenses incurred by the lessee. Refer to note 2(i) for accounting policies adopted on the maintenance reserves. The table below details the expected utilisation of maintenance reserves.

	1-3 Months GBP	3-12 Months GBP	1-2 Years GBP	2-5 Years GBP	Over 5 Years GBP	Total GBP
30 Sep 2020	–	–	47,048,689	141,888	11,413,281	58,603,859
31 Mar 2020	–	–	47,711,960	144,523	11,588,351	59,444,834

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

23. TAX

	30 Sep 2020 USD	30 Sep 2019 USD
Profit before tax of AA4P Leasing Ireland Limited and AA4P Leasing Ireland 2 Limited	286,036	352,383
Irish tax at 12.5%	35,754	44,048
	GBP	GBP
Tax expense (converted into GBP)	28,444	30,899

Irish tax is charged at 12.5% on each of the AA4P Leasing Ireland Limited and AA4P Leasing Ireland 2 Limited subsidiaries. The Company and the Guernsey Subsidiaries have been assessed for tax at the Guernsey standard rate of 0%. Since AA4P Leasing Ireland Limited and AA4P Leasing Ireland 2 Limited are Irish tax resident trading Companies, they will not be subject to Guernsey tax, but their net lease rental income earned (after tax deductible expenditure) will be taxable as trading income at 12.5% under Irish tax regulations.

24. ACCRUED AND DEFERRED INCOME

The deferred and accrued income 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. The accrued and deferred income consists of the following:

	30 Sep 2020 GBP	31 March 2020 GBP
Accrued income	14,046,771	14,446,150
Deferred income	(36,101,510)	(40,136,323)

25. RELATED PARTY TRANSACTIONS

Amedeo Limited is the Group's Asset Manager.

During the period, the Group incurred £2,521,812 (30 September 2019: £1,713,584) of fees with Amedeo, of which £Nil (31 March 2019: £Nil) was outstanding to this related party at 30 September 2020. This fee is included under "Asset management fee" in note 5.

Following the disposal of the "IPO Assets" (being collectively the first four assets purchased), the Company shall pay to Amedeo disposition fees calculated as detailed in the prospectus, which can be found on the Group's website. Fees range from 1.75% to 3% of the sale value. The fee for the remaining eight aircraft is 3%.

Amedeo Services (UK) Limited ("Amedeo Services") is the Group's Liaison and Administration Oversight 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 period, the Group incurred £5,519 (30 September 2019: £5,492) of fees with Amedeo Services. As at 30 September 2020 £Nil (31 March 2020: £Nil) was outstanding. This fee is included under "Asset management fee" in note 5.

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

During the period, the Group incurred £1,239,061 (30 September 2020: £1,206,969) of fees with Nimrod. These expenses relate to corporate and shareholder advisory fees as shown in note 5. £65,530 (31 March 2020: £Nil) was outstanding to this related party at 30 September 2020.

JTC Registrars Limited ("JTCRL") is the Company's registrar, transfer agent and paying agent. During the period the Group incurred £8,020 (30 September 2019: £8,783) of costs with JTCRL, of which £1,275 (31 March 2020: £3,059) was outstanding as at 30 September 2020.

Notes to the Consolidated Financial Statements (continued)

for the period ended 30 September 2020

26. SEGMENT INFORMATION

The Directors are of the opinion that the Group is engaged in a single segment of business, being acquiring, leasing and selling aircraft.

Geographical analysis

	Middle East GBP	Asia Pacific GBP	Total GBP
30 Sep 2020			
Rental income	77,453,145	26,498,986	103,952,131
Net book value – aircraft	1,087,950,833	500,092,422	1,588,043,255

	Middle East GBP	Asia Pacific GBP	Total GBP
31 March 2020			
Rental income	198,732,556	57,827,781	256,560,337
Net book value – aircraft	1,179,178,238	535,330,612	1,714,508,850

Revenue from the Group's country of domicile, Guernsey, was £Nil (2020: £Nil).

27. SUBSEQUENT EVENTS

On 13 October 2020 the Directors of the Company declared an interim dividend of 1.15 pence per Share in respect of the 31 March 2021 financial year. This dividend of £4,923,918 was paid on 30 October 2020 to holders of record 23 October 2020.

