DORIC NIMROD AIR THREE LIMITED

Unaudited Interim Financial Report

For the period from 1 April 2024 to 30 September 2024

CONTENTS

Page	
1	Definitions
3	Summary Information
4	Company Overview
6	Chair’s Statement
8	Asset Manager’s Report
13	Directors
14	Key Information
17	Responsibility Statement
18	Consolidated Statement of Comprehensive Income
19	Consolidated Statement of Financial Position
20	Consolidated Statement of Cash Flows
21	Consolidated Statement of Changes in Equity
22	Notes to the Consolidated Financial Statements
44	Key Advisers and Contact Information

DEFINITIONS

“AD”	Airworthiness Directive
“Administrative Shares”	Subordinated administrative shares
“AED”	United Arab Emirates dirham
“Amedeo” or the “Asset Manager”	Amedeo Limited
“AR Committee”	Audit and Risk Committee
“Articles”	Company’s Articles of Incorporation
“ASKs”	Available seat kilometres
“ATK”	Available Tonne Kilometres
“Board”	Company’s Board of directors
“Chair”	Chair of the Board
“DTRs”	Disclosure Guidance and Transparency Rules
“EBITDA”	Earnings Before Interest, Taxes, Depreciation and Amortisation
“DNA3” or “the Company”	Doric Nimrod Air Three Limited
“DNA Alpha” or the “Subsidiary”	DNA Alpha Limited
“EETC” or “Trust Certificates”	Enhanced Equipment Trust Certificates
“Emirates” or “the Lessee”	Emirates Airline
“FAA”	US Federal Aviation Authority
“FCA”	Financial Conduct Authority
“FVOCI”	Fair value through other comprehensive income
“FVTPL”	Fair value through profit or loss
“GBP”, “£” or “Sterling”	Pound Sterling
“GDP”	Gross Domestic Product
“Group”	the Company and its subsidiary
“IAS 1”	International Accounting Standard 1 – Presentation of financial statements
“IAS 7”	International Accounting Standard 7 - Statement of Cash Flows
“IAS 16”	International Accounting Standard 16 – Property, Plant and Equipment
“IAS 21”	International Accounting Standard 21 - Effects of Changes in Foreign Exchange Rates
“IAS 34”	International Accounting Standard 34 – Interim Financial Reporting

DEFINITIONS (continued)

“IAS 36”	International Accounting Standard 36 – Impairment of Assets
“IASB”	International Accounting Standards Board
“IATA”	International Air Transport Association
“IFRS”	International Financial Reporting Standards
“IFRS 7”	IFRS 7 – Financial Instruments: Disclosures
“IFRS 9”	IFRS 9 – Financial Instruments
“IFRS 10”	IFRS 10 – Consolidated Financial Statements
“IFRS 16”	IFRS 16 – Leases
“IFRS 18”	IFRS 18 – Presentation and Disclosures in Financial Statements
“JTC” or “Secretary” or “Administrator”	JTC Fund Solutions (Guernsey) Limited
“Registrar”	JTC Registrars Limited
“Law”	The Companies (Guernsey) Law, 2008, as amended
“Lease(s)”	Lease of Aircraft to Emirates
“Loan(s)”	Borrowings obtained by the Group to part-finance the acquisition of Aircraft
“LSE”	London Stock Exchange
“Nimrod” or “Corporate and Shareholder Adviser”	Nimrod Capital LLP
“Pandemic”	COVID-19 Pandemic
“Period”	1 April 2024 until 30 September 2024
“PLF”	Passenger Load Factor
“RPKs”	Revenue Passenger Kilometres
“SFS”	Specialist Fund Segment
“Shareholders” or “Members”	Shareholders of the Company
“Shares”	Ordinary Preference Shares
“Share Capital”	Share Capital of the Company
“UAE”	United Arab Emirates
“UK”	United Kingdom
“USD” or “$”	US Dollar
“VIU”	Value-in-use

SUMMARY INFORMATION

Listing	Specialist Fund Segment of the London Stock Exchange's Main Market
Ticker	DNA3
Share Price	62.5 pence (as at 30 September 2024) 61.0 pence (as at 6 December 2024)
Market Capitalisation	GBP 134.3 million (as at 6 December 2024)
Current Dividend / Future Anticipated Dividend	Current dividends are 2.0625 pence per quarter per share (8.25 pence per annum) and it is anticipated that this will continue until the aircraft leases begin to terminate in 2025.
Dividend Payment Dates	April, July, October, January
Currency	Sterling
Launch Date / Share Price	2 July 2013 / 100 pence
Incorporation and Domicile	Guernsey
Aircraft Registration Number (Manufacturer's Serial Number and Lease Expiry Dates include a two year extension)	A6-EEK (MSN 132 – 29 August 2025) A6-EEO (MSN 136 – 29 October 2025) A6-EEM (MSN 134 – 14 November 2025) A6-EEL (MSN 133 – 27 November 2025)
Asset Manager	Amedeo Limited
Corporate and Shareholder Adviser	Nimrod Capital LLP
Administrator	JTC Fund Solutions (Guernsey) Limited
Auditor	Grant Thornton Limited
Market Makers	Investec Bank Plc Jefferies International Ltd Panmure Liberum Ltd Peel Hunt LLP Shore Capital Ltd Winterflood Securities Ltd
SEDOL, ISIN, LEI	B92LHN5, GG00B92LHN58, 213800BMYMCBKT5W8M49
Year End	31 March
Website	www.dnairthree.com

COMPANY OVERVIEW

DNA3 is a Guernsey company incorporated on 29 March 2012.

Pursuant to the Company's Prospectus dated 20 June 2013, the Company, on 2 July 2013, offered its Shares for issue by means of a placing and raised approximately GBP211 million by the issue of Shares at an issue price of 100 pence per share. The Company's Shares were admitted to trading on the SFS on 2 July 2013.

As at 6 December 2024, the last practicable date prior to the publication of this report, the Company's total issued Share capital consisted of the Administrative Shares and 220,000,000 Shares. The Shares were trading at 61.0 pence per Share.

Investment Objective and Policy

The Company's investment objective is to obtain income returns and a capital return for its Shareholders by acquiring, leasing and then selling aircraft. To pursue its investment objective, the Company has used the net proceeds of placings and other equity capital raisings, together with debt facilities (or instruments), to initially acquire four Airbus A380 Aircraft which are leased to Emirates, the national carrier owned by The Investment Corporation of Dubai based in Dubai, UAE.

DNA Alpha

The Company has one wholly owned subsidiary: DNA Alpha which holds the Assets for the Company.

The first Asset was acquired by DNA Alpha on 29 August 2013 for a purchase price of USD245 million. Upon delivery, DNA Alpha entered into an operating Lease with Emirates, pursuant to which the first Asset has been leased to Emirates for an expected initial term of 10 years, ended August 2023, with an extension period of two years ending August 2025, in which rental payments reduce. The loan terms for this Aircraft were arranged to match the contractual rental received during the initial lease term of 10 years including the final rental prepayment in the event that the extension was not utilised.

The second Asset was acquired by DNA Alpha on 29 October 2013 for a purchase price of USD245 million. Upon delivery, DNA Alpha entered into an operating Lease with Emirates, pursuant to which the second Asset has been leased to Emirates for an expected initial term of twelve years, with fixed lease rentals for the duration. The initial Lease is for 10 years ended October 2023, with an extension period of two years ending October 2025, in which rental payments reduce. The loan terms for this Aircraft were arranged to match the contractual rental received during the initial lease term of 10 years including the final rental prepayment in the event that the extension was not utilised.

The third Asset was acquired by DNA Alpha on 14 November 2013 for a purchase price of USD245 million. Upon delivery, DNA Alpha entered into an operating Lease with Emirates, pursuant to which the third Asset has been leased to Emirates for an expected initial term of twelve years, with fixed lease rentals for the duration. The initial Lease is for 10 years ended November 2023, with an extension period of two years ending November 2025, in which rental payments reduce. The loan terms for this Aircraft were arranged to match the contractual rental received during the initial lease term of 10 years including the final rental prepayment in the event that the extension was not utilised.

The fourth Asset was acquired by DNA Alpha on 27 November 2013 for a purchase price of USD245 million. Upon delivery, DNA Alpha entered into an operating Lease with Emirates, pursuant to which the fourth Asset has been leased to Emirates for an expected initial term of twelve years, with fixed Lease rentals for the duration. The initial Lease is for 10 years ended November 2023, with an extension period of two years ending November 2025, in which rental payments reduce. The loan terms for this Aircraft were arranged to match the contractual rental received during the initial lease term of 10 years including the final rental prepayment in the event that the extension was not utilised.

DNA Alpha acquired the Assets, using a combination of a portion of the proceeds of the issue of the Ordinary Shares by the Company together with the proceeds of the sale of equipment trust certificates issued by DNA Alpha and the initial rent payment pursuant to the relevant operating Leases. The equipment notes were acquired by two separate pass through trusts using the proceeds of their issue of EETCs as detailed within the offering circular issued by DNA Alpha dated 10 July 2013.

Further information about the construction of these Leases is available in note 12 to the Consolidated Financial Statements.

COMPANY OVERVIEW (continued)

The EETCs, with an aggregate face amount of approximately USD630 million, were admitted to the official list of the Euronext Dublin and traded on the Main Securities market thereof matured on 30 May 2023.

Emirates bears all operating costs (including maintenance, repairs, and insurance) relating to the Aircraft during the lifetime of the Lease.

Distribution Policy
The Company currently targets a distribution of 2.0625 pence per Share per quarter.

The payment of dividends to Shareholders cannot be guaranteed, and if dividends are indeed paid, there is uncertainty regarding the timing and amount of such payments. Additionally, there is no assurance that the Company will consistently meet the solvency test outlined in section 304 of the Law, which is necessary for the Directors to authorise dividend payments.

Performance Overview
All payments by Emirates have, to date, been made in accordance with the terms of the respective Leases.

During the financial period under review and in accordance with the Distribution Policy the Company declared two interim dividends of 2.0625 pence per Share. One interim dividend of 2.0625 pence per Share had been declared after the reporting period.

Return of Capital
The Company intends to return to Shareholders the net capital proceeds if and when the Company is wound up (pursuant to a Shareholder resolution, including the Liquidation Resolution), subject to compliance with the Articles and the applicable laws (including any applicable requirements of the solvency test contained therein).

Liquidation Resolution
Although the Company does not have a fixed life, the Articles require that the Directors convene a general meeting of the Company in November 2026 where an ordinary resolution will be proposed that the Company proceed to an orderly wind-up at the end of the term of the Leases. In the event that the liquidation resolution is not passed, the Directors will consider alternatives for the future of the Company, including re-leasing the Assets, or selling the Assets and reinvesting the capital received from the sale of the Assets in other aircraft.

CHAIR'S STATEMENT

The Company
I am pleased to present to you the Company's Unaudited Interim Report for the six-month period ended 30 September 2024.

During the Period the Company has declared and paid two quarterly dividends of 2.0625 pence per Share each, a rate of dividend payment amounting to 8.25 pence per Share per annum.

The Company's investment objective is to obtain income returns and a capital return for its Shareholders by acquiring, leasing and then selling aircraft. The structures of the operating leases relating to the Company's four Aircraft are described on page 32. The debt portion of the funding was designed to be fully amortised, so as to leave the Aircraft unencumbered on the conclusion of the ultimate lease. As I have already reported, all debt associated with the Company's Aircraft has now been fully repaid.

Emirates bears all costs (including maintenance, repair and insurance) relating to the Aircraft during the lifetime of the leases. All payments by Emirates during the period and throughout the lease periods have been made in accordance with the terms of the Leases. The Company's first scheduled Lease expiry falls due in August 2025 and the last in November 2025.

At the time of writing the share price is 61.0 pence, representing a market capitalisation of GBP 134.3m based on the 220,000,000 Shares in issue. The shares performed well over the period as news of the sales of a number of Emirates leased Airbus A380s were announced in the period.

Market Conditions
The year has continued with an ongoing industry-wide recovery of air passenger traffic, measured in RPKs. As of August 2024, a year-over-year growth of 8.6% was recorded. The supply of capacity, measured in ASKs, increased in August 2024 by 6.5% compared to August 2023. The average PLF in August 2024 came in at 86.2%, an improvement of 1.6 percentage point from the same period in 2023 – and a historic high.

International travel – measured in RPKs – is up 10.6% year-over-year in August 2024. The strongest improvements in international traffic could again be observed in the Asia-Pacific region with an increase in RPKs of 19.9%.

These strong trends were also reflected in Emirates half year results. In the first six months of its 2024/25 financial year ending on 30 September 2024, Emirates recorded a profit before tax of AED 9.7 billion (USD 2.6 billion), a record performance for the company and 4.6% more than in the same period of the previous year. The airline attributed its performance to consistently strong travel and air cargo demand across markets. Revenue, including other operating income, was up 4.5% from last year and reached AED 62.2 billion (USD 16.9 billion), a new record for the company.

Between 1 April and 30 September 2024, the airline carried 26.9 million passengers, an increase of 3% over the previous financial year.

Stakeholder Engagement
Our Asset Manager, Amedeo, continues to monitor the Leases, is in frequent contact with the Lessee and reports regularly to the Board. Nimrod, our Corporate and Shareholder Adviser, continues to liaise with Shareholders alongside or on behalf of the Board and has provided valuable feedback on the views of Shareholders. The Board encourages Shareholders to read the Company's quarterly fact sheets which we believe provide a great deal of interesting information. We hope these regular reports, in addition to the communication you receive from Nimrod, are useful and informative. The Directors welcome Shareholder engagement and feedback and encourage you to contact Nimrod to request a meeting or to relay any feedback.

CHAIR'S STATEMENT (continued)

The Board

I would like to close by thanking my fellow Board members, the Asset Manager and the Corporate and Shareholder Adviser, and all other critical service providers who continue to service the Company. Most importantly, on behalf of the Board, I would like to thank all Shareholders for your continued support as we enter the next period where we are all fully focussed on delivering value for shareholders given the upcoming lease period ends for all our Aircraft.

Andreas Tautscher
Chair

12 December 2024

ASSET MANAGER'S REPORT

At the request of the Directors of the Company, this commentary has been provided by the Asset Manager of the Company. The report reflects the information available at the end of September 2024 unless otherwise noted.

1. The Assets

The Company acquired four Airbus A380 aircraft MSNs 132, 133, 134 and 136 (the "Aircraft") by the end of November 2013. Since delivery, each of the four Aircraft has been leased to Emirates Airline ("Emirates") – the national carrier owned by the Investment Corporation of Dubai, based in Dubai, UAE – for a term of 12 years with fixed lease rentals for the duration. In order to complete the purchase of the Aircraft, DNA Alpha Ltd ("DNA Alpha"), a wholly owned subsidiary of the Company, issued EETC – a form of debt security – in July 2013 in the aggregate face amount of USD 630 million. In May 2023 DNA Alpha had fully repaid all outstanding EETC obligations.

Between January and March 2024, the Company announced that DNA Alpha had received four notices in total from Emirates that it is exercising the options to enable it to redeliver each of the Aircraft in the minimum condition equivalent to "half-life" together with a cash sum, as opposed to redelivery in full-life condition. In the event the Aircraft are returned to the subsidiary, Emirates will pay the sum of USD 12,000,000 per Aircraft to DNA Alpha, in addition to the normal monetary compensation arrangements, on or prior to the respective lease expiry dates. The notices received do not preclude the Company from considering lease extension, sale or re-lease options for the Aircraft with Emirates or other counterparties.

Aircraft utilisation for the period from delivery of each Aircraft until the end of September 2024 was as follows:

MSN	Delivery Date	Flight Hours	Flight Cycles	Average Flight Duration
132	29/08/2013	39,212	4,842	8h 6m
133	27/11/2013	39,828	4,646	8h 34m
134	14/11/2013	37,448	4,311	8h 41 m
136	29/10/2013	39,479	4,447	8h 53m

Maintenance Status

Emirates maintains its A380 aircraft fleet based on a programme according to which minor maintenance checks are performed every 1,500 flight hours and more significant maintenance checks (C checks) at 36-month or 18,000-flight hour intervals, whichever occurs first.

Emirates bears all costs relating to the aircraft during the lifetime of the leases (including for maintenance, repairs, and insurance).

In November 2023 the European Union Aviation Safety Agency issued an AD for A380 aircraft adopting the already mandatory inspection of wing rear spars between certain wing ribs. After further results of the inspections of the wing rear spars by Airbus revealed more findings, criteria previously specified by Airbus were no longer justified. Prompted by these developments, Airbus redefined one of the driving parameters for the threshold for wing rear spars inspections, by replacing a previous to-be-calculated factor with a fixed factor, defined in this AD. This new factor focuses on time spent in storage.

Inspections

The Asset Manager conducted physical inspections and records audits of the Aircraft as per the below table. Conditions of the respective Aircraft and its technical records were in compliance with the provisions of the respective lease agreements.

MSN	Last Inspection	MSN	Last Inspection
132	01/2024	134	07/2024
133	07/2024	136	07/2024

ASSET MANAGER'S REPORT (continued)

2. Market Overview

The impact of the Pandemic on the global economy was severe, resulting in a 3.1% contraction in global GDP in 2020, followed by a recovery of 6.2%, 3.0% and 2.6% in 2021, 2022 and 2023 respectively. According to its June 2024 report on global economic prospects, the World Bank expects a growth rate of 2.6% for the current year making it the third consecutive year of deceleration. The World Bank expects a steady average growth of 2.7% p.a. for 2025 and 2026.

According to the Global Outlook for Air Transport from June 2024, the IATA expects the airline industry's profitability to increase in 2024, reaching USD 30.5 billion, a year-on-year improvement of 11.3%.

The year 2024 is so far marked by an ongoing industry-wide recovery of air passenger traffic, measured in RPKs, which has already caught up to the 2019 levels in February. As of September 2024, a year-over-year growth of 7.1% was recorded. The supply of capacity, measured in ASKs, increased in September 2024 by 5.8% compared to September 2023. The average PLF in September 2024 came in at 83.6%, an improvement of 1.0 percentage point from the same period in 2023 – and at an all-time high for the month of September.

International travel – measured in RPKs – is up 9.2% year-over-year in September 2024. The strongest improvements in international traffic could again be observed in the Asia-Pacific region with an increase in RPKs of 18.5%. Global domestic travel on the other hand increased by 3.7% in September 2024 in comparison with September 2023 domestic travel levels.

"This year's peak travel season ended with demand at an all-time high. This is good news not just for passengers but also for the global economy... We will soon face a capacity crunch in some regions which threatens to curtail these economic and social benefits", said Willie Walsh, IATA's Director General.

The Middle East, where the Lessee is located, recorded an RPK increase of 4.7% between September 2023 and September 2024. Capacities, measured in ASKs, expanded by 4.6% over the period, resulting in a stable average PLF of 81.4%.

Ticket sales for the October/November period indicate a further increase in air traffic, according to IATA.

Source: IATA, World Bank

3. Lessee – Emirates

Network

During the financial year 2023/24 the carrier increased frequency and capacity to 15 destinations globally and replaced Boeing 777 services with A380s on 14 routes.

Starting on 1 March 2025, Emirates will add a fourth daily flight to Johannesburg (South Africa). It will be operated on a three-class Boeing 777-300ER, also increasing the cargo capacity in and out of South Africa, offering additional capacity of 300 tonnes weekly.

To meet seasonal demand, Emirates decided to temporarily upgrade its second daily flight to Bali (Indonesia) to another A380 service. A non-stop daily service from Dubai to Bali was originally launched in 2015 and the latest decision adds more than 2,600 additional weekly seats compared to the previous 777 service.

Emirates currently sustains partnerships with 162 partners including 31 codeshare and 118 interline partners in over 100 countries, offering connectivity to nearly 1,700 cities worldwide. More than 61,000 weekly travellers connect on flights by Emirates' partners and allow customers to make use of seamless ticket itineraries, frequent flyer benefits, baggage transfer, and lounge access.

Fleet

According to Emirates, its passenger aircraft fleet consisted of 116 Airbus A380s and 133 Boeing 777s at the end of March 2024. Due to the lack of availability of similar-sized replacement aircraft and delays in the delivery of new aircraft ordered, Emirates plans

ASSET MANAGER'S REPORT (continued)

to keep its A380s flying until the late 2030s with corresponding extensions of aircraft leases, according to a statement made in March 2024.

In May 2024, the airline announced an expansion of its Airbus A380 and Boeing 777 cabin retrofit programmes, originally announced in November 2022, to 191 in total. It now covers Emirates' 110 Airbus A380s delivered without premium economy seats installed and will also potentially include the four A380s owned by the Company. Another six A380s were delivered from Airbus with premium economy seats and do not require an upgrade. In June 2024, Emirates claimed that the delivery delay to the Boeing 777X will cost the airline USD 3 billion in refurbishment of its existing A380 and 777 fleet. In order to maintain its existing network Emirates has also extended lease agreements and purchased some of the previously leased aircraft.

In early August 2024, the first retrofitted Boeing 777 returned to service in a three-class configuration, including the addition of a 24 seats Premium Economy cabin and Emirates' new 777 Business Class product. In total, the airline has plans to refurbish another 80 Boeing 777. The first 777 took 18,000 manhours to finish.

Emirates aircraft fitted with Premium Economy will reach 48 by the end of this year, and will serve 27 destinations including Dubai, using Emirates' fleet of Boeing 777s, A380s, and A350s.

At the 2023 Dubai Air Show in November 2023 Emirates also added a number of aircraft to its existing order book for a combined list price value of USD 58 billion.

Boeing 777X

In November 2023, Emirates topped up an existing order for 115 Boeing 777Xs, a combination of 16 777-8s and 99 777-9s, by signing a firm order for another 35 777-8 and 55 777-9 aircraft. This brings the Lessee's Boeing 777X orderbook to a total of 205 units.

Due to multiple delays, and as these aircraft are destined to replace the airline's aging Boeing 777-300ER fleet, the carrier extended the lease period of 25 Boeing 777 aircraft during the 2022/23 financial year and of a further 12 during the last financial year. Emirates has also included the aircraft type in its refurbishment programme. Latest statements from Emirates point to delivery of its first Boeing 777-9 in 2026.

After the manufacturer had received type inspection authorization in July 2024 Boeing began certification flight testing with FAA personnel on board the aircraft. During scheduled maintenance, a structural component between the engine and aircraft structure "did not perform as designed", according to the manufacturer. In response to the discovery of cracks Boeing suspended further test flights. In October 2024 Boeing revealed plans to delay the delivery of its first 777X another time. It is now scheduled for 2026, six years behind its original schedule.

With Airbus A380s and Boeing 747s no longer available for order, the Boeing 777X is currently the biggest aircraft in production. Deliveries for the latest 777-9 order from Emirates are scheduled up until 2035. The slightly smaller 777-8, for which Emirates is one of the launch customers, are expected to commence delivery in 2030.

Boeing 787

During the 2023 Dubai Air Show Emirates also updated an existing order for 30 Boeing 787-9 aircraft and committed to purchasing another five. As per the latest agreement of mid-November 2023, Emirates will receive 20 Boeing 787-8s and 15 Boeing 787-10s. However, the airline did not share an updated delivery timeline.

The previously ordered 787-9 aircraft were supposed to be delivered from May 2023 onwards. But Clark does not expect the 30 Boeing 787s to join his fleet soon. Delivery of the 787 family paused for about 19 months between November 2020 and August 2022 after Boeing had identified quality issues. It only resumed after the FAA decided the airframer "had made the necessary changes to ensure that the 787 Dreamliner meets all certification standards." Deliveries paused for another few weeks in February/March 2023 over concerns connected to the aircraft's forward pressure bulkhead which were then resolved. In June 2023 Boeing announced the discovery of yet another production flaw that required the manufacturer to inspect all 90 787 aircraft in its inventory, potentially affecting the timing of near-term 787 deliveries as well.

ASSET MANAGER'S REPORT (continued)

Boeing delivered only nine 787's in the second quarter of 2024, down from 13 in the three months before.

Airbus A350

An order of a further 15 A350-900s placed during the 2023 Dubai Air Show increases the number of A350-900 widebody aircraft ordered by Emirates to 65. The first of these was expected to join Emirates' fleet in August 2024. The airline and the manufacturer agreed on a "compressed delivery schedule" for the first 50 aircraft, all of which are to be delivered within a 30-month period. This should help "to pick up this big capacity hole that we can see", noted Emirates' President in 2022. The last aircraft of this batch are expected to be delivered in early 2028.

Due to delivery delays, the airline received its first A350 on the 25 November 2024. Emirates will deploy the aircraft on a scheduled service to Edinburgh starting from 3 January 2025.

With a more diversified fleet, Emirates plans to add 400 destinations to its network over the next decade and expects to operate about 350 aircraft from the early 2030s onwards.

<u>Key Financials</u>

In the first six months of its 2024/25 financial year ending on 30 September 2024, Emirates recorded a profit before tax of AED 9.7 billion (USD 2.6 billion), a record performance for the company and 4.6% more than in the same period of the previous year. After accounting for the 9% corporate income tax applicable for the first time since it was enacted in 2023, the net profit amounts to AED 8.7 billion (USD 2.4 billion). The airline attributes its performance to consistently strong travel and air cargo demand across markets. Revenue, including other operating income, was up 4.5% from last year and reached AED 62.2 billion (USD 16.9 billion), a new record for the company.

Between 1 April and 30 September 2024, the airline carried 26.9 million passengers, an increase of 3% over the previous financial year. Emirates' SkyCargo uplifted 1,198,000 tonnes during that period, an increase of 16% over the previous financial year. Strong Chinese eCommerce traffic and a rise in shipments bound for Dubai were contributing to growth, according to a company statement.

During the first half on its 2024/25 financial year Emirates' capacity grew by 4% measured in ASKs. At the same time RPKs increased by 2%. This resulted in an average PLF of 80.0%, or 1.5 percentage points lower compared to the same period in the previous year.

Emirates' total operating costs increased 6%. Fuel was the largest cost component amounting to 32% of operating costs, 2 percentage points lower than in the period from April to September 2023. The EBITDA of AED 19.1 billion (USD 5.2 billion) came in 2% lower than a year before.

As of 30 September 2024, Emirates' total liabilities decreased by 7.7% to AED 108.4 billion (USD 29.5 billion) compared to the end of the previous financial year. Amongst other things, the airline repaid AED 6.7 billion (USD 1.8 billion) in bonds and term loans and paid a dividend to its shareholders in the amount of AED 1.0 billion (USD 272 million). Total equity came in at AED 50.8 billion (USD 13.8 billion), an improvement of 9% since the beginning of the financial year in April 2024. Emirates' equity ratio stood at 31.9% and its cash position, including short-term bank deposits, amounted to AED 40.0 billion (USD 10.9 billion) at the end of September 2024, about 7% less than at the beginning of the financial year. The net cash flow from operating activities came in at AED 15.2 billion (USD 4.1 billion) between April and September 2024, about 17% lower than in the same period in the year before.

As at the end of September 2024, Emirates had outstanding US Dollar debt issuances with maturities in 2025 and 2028. These bonds last traded at around 100 cents and 99 cents respectively, with a yield to maturity of 5.7% and 4.9% p.a. respectively, a little lower than last quarter. There has also been no significant upward pressure on yields. This level of yields does not appear to indicate any significant financial stress to the issuer. In Emirates' most recent annual financial report the auditor PricewaterhouseCoopers issued an unqualified audit report.

ASSET MANAGER'S REPORT (continued)

Sustainability

In September 2024, Emirates noted that on every one of the carrier's 470 daily flights all pilots actively use GE FlightPulse. The analytics application provides operational data relating to the safety and fuel efficiency performance of each mission. Among other things, the software allows pilots to review their individual data from previous flights, and benchmark key performance indicators against the fleet average. It further provides information that helps with flight planning, e.g. which runway can be expected on arrival at a certain airport and if flying in a holding pattern is a likely scenario, based on actual data collected from other Emirates aircraft over the past 90 days.

Source: Cirium, Emirates, Simple Flying

4. Aircraft – A380

According to Cirium, as of the end of September 2024 the global A380 fleet consisted of 203 aircraft operated by 12 airlines. Of these, 166 were in service. The remainder of the fleet is currently parked. The 12 operators are Emirates (118), Singapore Airlines (13), British Airways (12), Etihad Airways (10), Qantas (10), Qatar Airways (10), Deutsche Lufthansa (8), Korean Air Lines (8), Asiana Airlines (6), Air France (4), All Nippon Airways (3) and HiFly Malta/Global Airlines (1). Another 21 aircraft are registered with non-airline entities.

In an analysis published in November 2023 Cirium Ascend Consultancy noted that the number of A380s reactivated post-Pandemic is higher than initially expected, but that the full extent of the fleet recovery "is hard to forecast". After the number of in-service A380s reached a low in the single digits at the height of the Pandemic, Cirium Ascend Consultancy estimated "that potentially up to 190 aircraft could be reactivated". Several factors were identified to explain a "once-unlikely comeback". These include the large-scale retirement of older twin-aisles in the early months of the Pandemic and "a relative lack of replacement capacity" due to the slow ramp-up of production by Airbus and Boeing along with extended delays to the introduction of the Boeing 777X.

Source: Cirium

DIRECTORS

As at 30 September 2024, the Company had four directors, all of whom were independent and non-executive.

Andreas Tautscher – Chair of the Company and of the Management Engagement Committee

Andreas Tautscher brings over 34 years' financial services experience. He is also a non-executive director of Globalworth PLC which is an AIM listed Central European property Group. Andreas has been appointed as Chairman of the Real Estate Credit Investments Limited a company listed on the Main Market of the LSE. He is an independent director of Northern Trust Guernsey Limited and a number of private investment companies. Andreas is a director of Arolla Partners, an independent director services business in the Channel Islands. From 1994 to 2018 Andreas held various roles at Deutsche Bank and was including CEO of Deutsche Bank International and Head of Financial Intermediaries for EMEA and LATAM. He was previously a non-executive director of the Virgin Group. Andreas qualified as a Chartered Accountant in 1994.

Andreas stepped down as Chair of the Company's Nomination Committee with effect from 11 October 2023, as part of the Company's succession plan. Andreas is also Chair of the AR Committee of Doric Nimrod Air Two Limited and Chair of its Management Engagement Committee. He is resident in Guernsey.

Geoffrey Hall

Geoffrey Hall has extensive experience in asset management, having previously been Chief Investment Officer of Allianz Insurance plc, a major UK general insurance company and an investment manager at HSBC Asset Management, County Investment Management, and British Railways Pension Funds and a director of Capital Wharf Management Company Limited. Geoffrey is also a Director of Doric Nimrod Air Two Limited.

Geoffrey earned his master's degree in Geography at the University of London and is an associate of the CFA Society of the UK. He is resident in the UK.

Fiona Le Poidevin – Chair of the AR Committee

A Chartered Director, Fellow of the Institute of Directors and Chartered Accountant (FCA), Fiona is a non-executive director with over 26 years' experience working in financial services in both London and the Channel Islands with experience in accounting, tax, strategy, marketing, PR and the regulatory and listed company environments. Among her appointments, in addition to that with the Company, Fiona is director of Sequoia Economic Infrastructure Income Fund Limited, a FTSE 250 company, and ICG-Longbow Senior Secured UK Property Debt Investments Limited, both premium listed companies with shares admitted to trading on the Main Market of the LSE. She is also Director and Chair of Doric Nimrod Air Two Limited, a company admitted to trading on the SFS of the LSE. Fiona is also a member of the AIC Channel Islands Committee.

Until the end of July 2020, Fiona was CEO of The International Stock Exchange Group Limited and prior to that she was CEO of Guernsey Finance, the promotional body for Guernsey's finance industry internationally. Previously she was an auditor and latterly tax adviser at PwC (London and Channel Islands) and KPMG (Channel Islands) for over 13 years. Fiona is resident in Guernsey.

Theresa Oldham

Theresa has over 30 years' experience in the aircraft finance and leasing industry. Having trained and spent her early career as a solicitor in the City of London, Theresa moved into the industry where she held a number of senior positions, most recently and until 2019, as Group Director of Aircraft Finance and Leasing for Thomas Cook Group plc where she was responsible for all related activities for the Group's international fleet of aircraft. Theresa is Chair of the Company's Nomination Committee.

Since 2020, Theresa has been providing aviation consultancy services and maintains a practicing certificate as a solicitor in England and Wales. She is resident in the UK.

Theresa is also a Director of Doric Nimrod Air Two Limited and Chair of its Nomination Committee.

KEY INFORMATION

A description of important events which have occurred during the Period, their impact on the performance of the Group as shown in the Consolidated Financial Statements and a description of the principal risks and uncertainties facing the Group is given in the Chair's Statement, Asset Manager's Report, and the Notes to the Consolidated Financial Statements contained on pages 22 to 39 and are incorporated here by reference.

There were no material related party transactions which took place in the Period, other than those disclosed at note 21 of the Notes to the Financial Statements.

Principal Risks and Uncertainties
The principal risks and uncertainties faced by the Company for the remaining six months of the financial year are unchanged from those disclosed in the Company's Consolidated Annual Financial Report for the year ended 31 March 2024. The Board continues to appropriately monitor the risks on a regular basis.

The risks set out below are those which are considered to be the material risks but are not the only risks. Additional risks and uncertainties of which the Group is presently unaware or that the Group currently believes are immaterial may also adversely affect its business, financial condition, results of operations or the value of the Shares.

The principal risks associated with the Group are:

- **Operational risk:** The Board is ultimately responsible for all operational facets of performance including cash management, asset management, regulatory and listing obligations. The Group has no employees and so enters into a series of contracts/ legal agreements with a series of service providers to ensure both operational performance and the regulatory obligations are met. This risk has been mitigated by the Group using well established, reputable and experienced service providers. The Management Engagement Committee annually reviews performance of all service providers. Evaluations are documented and areas for improvement are monitored. Where relevant, service providers provide copies of their control reports.

- **Investment risk:** There are a number of risks associated with the Group's Assets in relation to the occurrence of technical faults with the Assets or actions by third parties causing both damage to the Assets and also damaging the demand for global air travel. This risk has been mitigated by the Lessee's contractual responsibility to insure, repair and maintain the Aircraft for the duration of the Leases.

  There are further risks associated with the expiry of Lease agreements. This risk has been mitigated through the appointment of an Asset Manager who is responsible for negotiating the end of Lease process in the best interests of the Company and in compliance with the agreed Lease contracts. The Asset Manager is responsible for planning, understanding the costs involved in long term storage and ensuring the Company has sufficient funds available to cover these costs. The Asset Manager further performs regular checks on the Aircraft owned by the Company and updates the Board of any material developments.

- **Borrowings and financing risk:** There is a risk that the Group is exposed to fluctuations in market interest rates and foreign exchange rates. In relation to the debt obligations, this risk has been mitigated by ensuring that debt repayments are made from lease rental revenues received in the matching currency and by fixing the interest rates on debt and lease rentals.

- **Credit risk:** Emirates is the sole Lessee of the Assets and is headquartered in the Middle East. Should Emirates default on the rental payments due to domestic events, events in the wider airline industry or other reasons it is unlikely the Company will be able to meet its targeted dividends or, in the case of ongoing default, continue as a going concern. The risk of default is potentially mitigated by the ability of the Group to sell or re-lease the Assets in the event of a single default, together with the financial position of Emirates. However, this could be impacted by market conditions at the time. The Board monitors the financial performance of Emirates on an ongoing basis.

- **Secondary market risk:** There is a risk that the Group would not be able to achieve the projected resale value of the Assets due to i) changes in demand for second hand aircraft of the type owned by the Group, ii) the limited number of airlines operating the aircraft type, and iii) an increasing trend for airlines to operate newer generation aircraft that are more efficient and whose

KEY INFORMATION (continued)

engine costs are substantially less. Therefore, the Board monitors and revises the residual value of the Aircraft on an annual basis based on reports received from three independent appraisers, who consider these market trends in their aircraft valuations.

- **Aircraft preservation risk:** In the case that the Aircraft are returned and there are not yet secondary leases in place or an agreement to sell immediately, there is a risk that the Company would need to utilise financial resources to cover storage costs, preservation of the aircraft whilst in storage, and maintain insurance on the aircraft though this would be a smaller cost as the aircraft would not be flying. The risk is mitigated by ensuring proactive engagement with the Group's Lessee so that the end of lease situation is known and planned for well in advance of the expiry date. The Board also maintains a healthy cash position from rentals received which is not paid out as regular dividend in order to facilitate end of lease planning. In the event of a redelivery the Lessee is obliged to pay USD 12 million per Aircraft on top of monetary compensation. The latter depends on the actual physical status of the Aircraft at lease expiry.

- **Regulatory risk:** The Group is required to comply with the DTRs of the FCA and the requirements imposed by the Law and any other legislation and regulations as applicable. Any failure to comply could lead to criminal or civil proceedings. Although responsibility ultimately lies with the Board, the Board is assisted by the Secretary which also monitors compliance with regulatory requirements.

- **Valuation risk:** There is a risk that the useful life or residual value used in determining depreciation are not appropriate or accurately calculated. The Board assess, based on the latest forecast valuations, whether the selected residual values remain as an appropriate basis of valuation and with consideration to the range of estimates provided by the external valuers. The Group has a robust audit process. Additionally, the Group has engaged external experts (all three being ISTAT accredited) to provide residual values of Aircraft. The Asset Manager is up to date regarding the Aircraft/Aviation industry giving insight to the Board regarding the current and future outlook for the industry and appropriate life/residual values. The Company annually completes impairment testing in line with IAS 36.

Emerging Risks

The Board has developed and continues to maintain a risk matrix for the Group which is reviewed regularly. The Board continually monitors emerging risk areas relevant to the performance of the Group including those that would threaten its business model, future performance, solvency and liquidity on an ongoing basis. The Board receives from the Company's Asset Manager bi-annual reporting confirming the Asset Manager's obligations and highlighting key issues and risks to be brought to the Group's attention.

Additional risks and uncertainties of which the Board is presently unaware may also adversely affect its business, financial condition, results of operations or the value of shares.

Data Protection

The Company has implemented measures designed to ensure its compliance with the EU General Data Protection Regulation (EU) 2016/679 and associated legislation in Guernsey. The Company has also issued a privacy notice explaining the data it holds, how the data is used and its procedures for processing this data. This notice is available for review and download at the Company's website.

Going Concern

The Group's principal activities are set out within note 1. The financial position of the Group is set out on page 19. In addition, note 18 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.

All four Aircraft owned by the Group are leased to Emirates. Under the Leases the Group receives rental income from the Lessee and will receive USD 12 million per Aircraft in the event that the Aircraft are returned to the Group at the end of the Leases. For this reason, the Directors actively monitor the financial position and trading performance of Emirates which is critical to the Group's ability to meet its operating costs and pay future dividends.

KEY INFORMATION (continued)

The Directors, with the support of its Asset Manager, believe that it is reasonable to assume as of date of approval of the Consolidated Financial Statements that Emirates will continue with the contracted lease rental payments due to the following:

- Emirates continues to be a going concern as at the date of the Lessee’s latest signed annual financial report for the financial year ended on 31 March 2024.

- During the first six months of the 2024/25 financial year, Emirates increased its overall capacity, measured in ATKs, by 5%, while the passenger traffic carried, measured in RPKs, increased by 2%. The PLF of 80.0% was slightly below the 81.5% achieved during the same period in the previous financial year. The number of passengers increased by 3% compared to the first half of the 2023/24 financial year and reached 26.9 million. The airline’s capacity for passenger services, measured in ASKs, increased by 4%.

- With a profit before tax of AED 9.7 billion (USD 2.6 billion) for the period from 1 April to 30 September 2024 Emirates reported a new record. Net profit came in at AED 8.7 billion (USD 2.4 billion), resulting in a net profit margin of 14.0%.

- As at the end of September 2024 Emirates had AED 40.0 billion (USD 10.9 billion) in cash assets (including bank deposits).

- As of the date of the Consolidated Financial Statements, the Board is not aware of a formal request to the Group for a lease deferral or any other efforts that would result in the restructuring of the existing transaction.

- Emirates has paid all the lease rentals to the Group in a timely manner.

The Directors have considered Emirates’ ability to continue paying the lease rentals until the end of the longest running lease agreement in November 2025, and compensation payments of at least USD 12 million per Aircraft if the Aircraft get returned and are satisfied that the Group can meet its liabilities as they fall due over the next twelve months from the date of approval of the Unaudited Interim Financial Report. Refer to note 12 for expiry dates of the Leases.

The Directors consider that the going concern basis of accounting remains appropriate. Based on current information the Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements.

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

RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Unaudited Interim Financial Report in accordance with the DTR of the UK's FCA.

In preparing the Consolidated Financial Statements included within the Unaudited Interim Financial Report, the Directors are required to:

- prepare and present the consolidated financial statements in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK, and the DTR of the UK FCA;
- ensure the consolidated financial statements has adequate disclosures;
- select and apply appropriate accounting policies;
- make accounting estimates that are reasonable in the circumstances; and
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of the Consolidated Financial Statements that is free from material misstatement whether due to fraud or error.

We confirm that to the best of our knowledge:

1. the Consolidated Financial Statements included within the Unaudited Interim Financial Report of Doric Nimrod Air Three Limited for the six months ended 30 September 2024 ("the Interim Financial Information") which comprises consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and the related explanatory notes, have been presented and prepared in accordance with IAS 34, Interim Financial Reporting, as adopted for use in the UK, and the DTR of the UK FCA.

2. The Interim Financial Information presented, as required by the DTR of the UK FCA, includes:

   a. an indication of important events that have occurred during the first 6 months of the financial year, and their impact on the financial statements;

   b. a description of the principal risks and uncertainties for the remaining 6 months of the financial year;

   c. related parties' transactions that have taken place in the first 6 months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and

   d. any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first 6 months of the current financial year.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board of Directors of the Company.

Andreas Tautscher
Chair

Fiona Le Poidevin
Director

12 December 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period 1 April 2024 to 30 September 2024

	Notes	1 Apr 2024 to 30 Sep 2024 GBP	1 Apr 2023 to 30 Sep 2023 GBP
INCOME			
A rent income	4	26,014,653	28,326,586
B rent income	4	10,264,236	10,264,236
		36,278,889	38,590,822
EXPENSES			
Operating expenses	5	(951,757)	(952,454)
Depreciation of Aircraft	10	(13,486,942)	(13,655,707)
		(14,438,699)	(14,608,161)
Net profit for the Period before finance costs and foreign exchange (losses)/gains		21,840,190	23,982,661
Finance income		212,259	106,055
Finance costs	11	–	(275,917)
Net profit for the Period after finance costs before foreign exchange (losses)/gains		22,052,449	23,812,799
Net foreign exchange (losses)/gains	7	(31,544)	196,884
Profit for the Period		22,020,905	24,009,683
Total Comprehensive Income for the Period		22,020,905	24,009,683

		Pence	Pence
Earnings per Share for the Period – Basic and Diluted	9	10.01	10.91

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

The notes on pages 22 to 39 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	30 Sep 2024 GBP	31 Mar 2024 GBP
NON-CURRENT ASSETS			
Property, Plant and Equipment – Aircraft	10	153,796,744	167,283,686
CURRENT ASSETS			
Receivables	13	112,588	150,869
Cash and cash equivalents	16	15,009,939	14,588,898
		15,122,527	14,739,767
TOTAL ASSETS		168,919,271	182,023,453
CURRENT LIABILITIES			
Deferred income	4	51,079,314	51,861,582
Payables	14	49,885	57,273
		51,129,199	51,918,855
NON-CURRENT LIABILITIES			
Deferred income	4	5,660,101	30,920,532
		5,660,101	30,920,532
TOTAL LIABILITIES		56,789,300	82,839,387
TOTAL NET ASSETS		112,129,971	99,184,066
EQUITY			
Share capital	15	208,953,833	208,953,833
Retained loss		(96,823,862)	(109,769,767)
TOTAL EQUITY		112,129,971	99,184,066

	Pence	Pence
Net Asset Value per Share based on 220,000,000 (31 March 2024: 220,000,000) shares in issue	50.97	45.08

The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue 12 December 2024 and are signed on its behalf by:

Andreas Tautscher
Director

Fiona Le Poidevin
Director

The notes on pages 22 to 39 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period 1 April 2024 to 30 September 2024

OPERATING ACTIVITIES	Notes	1 Apr 2024 to 30 Sep 2024 GBP	1 Apr 2023 to 30 Sep 2023 GBP
Profit for the Period		22,020,905	24,009,683
Movement in deferred income		(26,042,699)	(4,132,976)
Interest received		(212,259)	(106,055)
Depreciation of Aircraft	10	13,486,942	13,655,707
Loan interest payable	11	–	196,319
Decrease in payables		(7,388)	(27,174)
Decrease/(increase) in receivables		38,281	(71,075)
Foreign exchange movement	7	31,544	(196,884)
Amortisation of debt arrangement costs	11	–	79,598
NET CASH GENERATED FROM OPERATING ACTIVITIES		9,315,326	33,407,143
INVESTING ACTIVITIES			
Interest received		212,259	106,055
Proceeds on short-term investments		–	177,333
NET CASH GENERATED FROM INVESTING ACTIVITIES		212,259	283,388
FINANCING ACTIVITIES			
Dividends paid	8	(9,075,000)	(9,075,000)
Repayments of capital on borrowings	19	–	(24,209,370)
Interest on borrowings	19	–	(200,518)
NET CASH USED IN FINANCING ACTIVITIES		(9,075,000)	(33,484,888)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		14,588,898	13,692,410
Increase in cash and cash equivalents		452,585	205,643
Effects of foreign exchange rates		(31,544)	4,788
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16	15,009,939	13,902,841

The notes on pages 22 to 39 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 April 2024 to 30 September 2024

	Notes	Share Capital GBP	Retained Loss GBP	Total GBP
Balance as at 1 April 2024		208,953,833	(109,769,767)	99,184,066
Total Comprehensive Income for the Period		–	22,020,905	22,020,905
Dividends paid	8	–	(9,075,000)	(9,075,000)
Balance as at 30 Sep 2024		208,953,833	(96,823,862)	112,129,971

		Share Capital GBP	Retained Loss GBP	Total GBP
Balance as at 1 April 2023		208,953,833	(137,717,185)	71,236,648
Total Comprehensive Income for the Period		–	24,009,683	24,009,683
Dividends paid	8	–	(9,075,000)	(9,075,000)
Balance as at 30 Sep 2023		208,953,833	(122,782,502)	86,171,331

The notes on pages 22 to 39 form an integral part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 April 2024 to 30 September 2024

1 GENERAL INFORMATION

The Consolidated Interim Financial Statements incorporate the results of the Company and its Subsidiary (together known as the Group).

The Company was incorporated in Guernsey on 29 March 2012 with registered number 54908. The address of the registered office is given on page 40. Its Share Capital consists of Shares and Administrative Shares. The Company's Shares have been admitted to trading on the SFS of the LSE 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. The principal activities of the Company are set out in the Chair's Statement and Key Information on pages 6 to 7 and 14 to 16 respectively.

2 MATERIAL ACCOUNTING POLICIES

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

(a) Basis of Preparation

These unaudited Condensed Interim Financial Statements have been prepared in accordance with IAS 34, "Interim Financial Reporting", as required by DTR 4.2.4R of the UK's FCA, with the Listing Rules of the LSE and with applicable legal and regulatory requirements. They do not include all the information and disclosures required in Annual Financial Statements and should be read in conjunction with the Group's audited Annual Financial Report for the year ended 31 March 2024. The accounting policies applied in these Financial Statements are consistent with those applied in the audited Annual Financial Report for the year ended 31 March 2024, which were prepared in accordance with IFRS, as issued by the IASB.

The Consolidated Financial Statements have been prepared on a going concern basis under the historical cost.

(b) Adoption of new and revised Standards

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

The following Standards and Interpretations have been adopted in the current period. Their adoption has not had a material impact on the amounts reported in these financial statements and is not expected to have any impact on future financial periods except where stated otherwise:

Classification of Liabilities as Current or Non-current – Deferral of Effective Date (Amendment to IAS 1) – The amendment defers the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2024.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) – The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendment is effective for annual reporting periods beginning on or after 1 January 2024.

New and Revised Standards in issue but not yet effective

The following Standard and Interpretations have been issued but not yet effective. Their adoption has not had a material impact on the amounts reported in these financial statements and is not expected to have any impact on future financial periods except where stated otherwise:

IFRS 18 Presentation and Disclosures in Financial Statements – includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements. Applicable to annual reporting periods beginning on or after 1 January 2027.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period from 1 April 2024 to 30 September 2024

2 ACCOUNTING POLICIES (continued)

(b) Adoption of new and revised Standards (continued)

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

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments – The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments. Applicable to annual reporting periods beginning on or after 1 January 2026.

The New and Revised Standards in issue but not yet effective which have not been included have been considered and are either not applicable or do not have a material impact on the Company.

(c) 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.

(d) Taxation

The Company and its Subsidiary have been assessed for income tax at the Guernsey standard rate of 0 percent.

(e) Share Capital

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

(f) Expenses

All expenses are accounted for on an accruals basis.

(g) Finance Income

Finance income relates to bank interest and is accounted for on an accruals basis.

(h) Foreign Currency Translation

The currency of the primary economic environment in which the Company operates (the "functional currency") is GBP, £ or Sterling, which is also the Group's presentation currency. Transactions denominated in foreign currencies are translated into Sterling 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 applying 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 from 1 April 2024 to 30 September 2024

2 ACCOUNTING POLICIES (continued)

(i) Cash and Cash Equivalents

Cash at bank and short term deposits which are held to maturity are recognised at initial recognition at its fair value plus transaction costs and are subsequently at measured at amortised cost. Cash and cash equivalents are defined as call deposits, short term deposits with a term of no more than three months from the start of the deposit and highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

(j) Segmental Reporting

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

As the Lessee is based in the Middle East, rental income as well as the net book value of aircraft held by the Group is all considered to be from the Middle East. Revenue from the Group’s country of domicile, Guernsey, was £Nil (2023: £Nil).

(k) Going Concern

The Group’s principal activities are set out within note 1. The financial position of the Group is set out on page 19. In addition, note 18 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.

All four Aircraft owned by the Group are leased to Emirates. Under the Leases the Group receives rental income from the lessee and will receive USD 12 million per Aircraft in the event that the Aircraft are returned to the Group at the end of the Leases. For this reason, the Directors actively monitor the financial position and trading performance of Emirates which is critical to the Group’s ability to meet its operating costs and pay future dividends.

The Directors, with the support of its Asset Manager, believe that it is reasonable to assume as of date of approval of the Consolidated Financial Statements that Emirates will continue with the contracted lease rental payments due to the following:

- Emirates continues to be a going concern as at the date of the Lessee’s latest signed annual financial report for the financial year ended on 31 March 2024.
- During the first six months of the 2024/25 financial year, Emirates increased its overall capacity, measured in ATKs by 5%, while the passenger traffic carried measured in RPKs, increased by 2%. The PLF of 80.0% was slightly below the 81.5% achieved the same period in the previous financial year. The numbers of passengers increased by 3% compared to the first half of 2023/24 financial year and reached 26.9 million. The airline’s capacity for passenger services, measured in ASKs, increased by 4%.
- With a profit before tax of AED 9.7 billion (USD 2.6 billion) for the period 1 April to 30 September 2024. Emirates reported a new record. Net profit came in at AED 8.7 billion (USD 2.4 billion), resulting in a net profit margin of 14.0%.
- As at the end of September 2024 Emirates had AED 40.0 billion (USD 10.9 billion) in cash assets (including bank deposits).
- As of the date of the Consolidated Financial Statements, the Board is not aware of a formal request to the Group for a lease deferral or any other efforts that would result in the restructuring of the existing transaction.
- Emirates has paid all the lease rentals to the Group in a timely manner.

The Directors have considered Emirates’ ability to continue paying the lease rentals until the end of the longest running lease agreement in November 2025, and compensation payments of at least USD 12 million per Aircraft if the Aircraft get returned and are satisfied that the Group can meet its liabilities as they fall due over the next twelve months from the date of approval of the Unaudited Interim Financial Report. Refer to note 12 for expiry dates of the Leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period from 1 April 2024 to 30 September 2024

2 ACCOUNTING POLICIES (continued)

(k) Going Concern (continued)

The Directors consider that the going concern basis of accounting remains appropriate. Based on current information the Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements.

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

(l) Leasing and Rental Income

The Leases relating to the Assets have been classified as operating leases as the terms of the Leases do not transfer substantially all the risks and rewards of ownership to the Lessee. The Assets are shown as non-current assets in the Consolidated Statement of Financial Position. Further details of the Leases are given in note 12.

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

The deferred 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. This liability/receivable will reduce over time as the leases continue and approach the end of the lease terms.

(m) Property, Plant and Equipment – Aircraft

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

Subsequently, depreciation is recognised so as to write off the cost of each Asset less the estimated residual value over the estimated useful life of the Asset of 12 years, using the straight-line method. The estimated residual value of the four planes ranges from £31.2 million to £31.6 million (2023: £31 million to £31.4 million). Residual values have been arrived at by taking the average amount of three independent external valuers and after taking into account disposition fees where applicable. The residual values of the A380 Aircraft were determined using soft values excluding inflation, which best approximates residual value as required by IAS 16.

The depreciation method reflects the pattern of benefit consumption. The residual value is reviewed regularly and is an estimate of the fair amount the entity would receive today. Useful life is also reviewed regularly and, for the purposes of the financial statements represents the likely period of the Group's ownership of these Assets. Depreciation starts when the Asset is available for use.

The Group regularly reviews whether the carrying values of the Aircraft are appropriate. Quarterly the Board receives an update on the performance of Emirates Airline and whether there are any concerns over their viability from the advisors. The Board also receives regular updates on the market for A380 aircraft and whether there are any actions by Emirates or others that would make the A380 more or less attractive at that time (and therefore influence value). 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period from 1 April 2024 to 30 September 2024

2 ACCOUNTING POLICIES (continued)

(m) Property, Plant and Equipment – Aircraft (continued)

Recoverable amount is the higher of fair value less costs to sell and the VIU. In assessing VIU, 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.

An impairment loss exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount.

(n) Financial instruments

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised if the Group’s contractual rights to the cash flows from the financial assets expire, are extinguished, or if the Group transfers the financial assets to a third party and transfers all the risks and rewards of ownership of the Asset, or if the Group does not retain control of the asset and transfers substantially all the risk and rewards of ownership of the Asset.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- FVOCI; or
- FVTPL.

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Group only has financial assets that are classified at amortised cost.

i) Financial assets held at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial liabilities held at amortised cost

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

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

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

(o) Dividend policy

Dividends are accounted for in the Period in which they are declared and approved by the Board.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period from 1 April 2024 to 30 September 2024

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 following are the critical judgements and estimates that the Directors have made in the process of applying the Group’s accounting policies and that have the most significant effect on the amounts recognised in the Consolidated Financial Statements.

Residual Value, Impairment and Useful Life of Aircraft

As described in note 2 (m), the Group depreciates the Assets on a straight-line basis over the estimated useful life of the Assets after taking into consideration the estimated residual value.

IAS 16 requires residual value to be determined as an estimate of the amount that the Group would currently obtain from the disposal of the Asset, after deducting the estimated costs of disposal, if the Asset were of the age and condition expected at the end of its useful life. The residual values of the A380 Aircraft are determined using soft values excluding inflation since Directors consider this best approximates to residual value as required by IAS 16.

In estimating residual value for the year, the Directors refer to future soft values (excluding inflationary effects) for the Asset obtained from three independent expert aircraft valuers.

The Group’s future performance is potentially subject to wider economic uncertainty and disruption caused in part by the geo-political uncertainty. This together with the wider economic uncertainty, disruption and illiquid market for the A380, 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, or other disposition of the relevant aircraft. Therefore, the estimation of residual value remains subject to material uncertainty.

The sensitivity of profit/loss for the Period and shareholder equity to a 10% increase or decrease in estimated residual values and fair value less selling costs is discussed on page 28.

Impairment

As described in note 2(m), an impairment loss exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The Group regularly reviews the Assets for any indications of impairment as required by IAS 16 Property, Plant and Equipment and IAS 36 Impairment of Assets.

Due to the Pandemic and its consequences on the business of airlines (and indirectly aircraft values), along with the credit risk profile of the Group’s Lessee resulted in an impairment review in the year ended 31 March 2024 by the Board together with the Asset Manager as the Pandemic might have resulted in pricing changes for the Aircraft.

Based on the impairment review performed, an impairment loss of £nil was recognised in the 31 March 2024 year, which resulted in a carrying value of the Aircraft in total to £167,283,686 at year end as reflected in note 10.

Following discussions between the Board and the Asset Manager and having performed an impairment review of the Group’s Assets and Lessee for the Period ending 30 September 2024, it was determined that during the six months that have passed since 31 March 2024, there have been no significant developments within the market that would materially impact the value of the Group’s assets, such as i) another wave of COVID, ii) increased lockdown/travel restrictions, iii) increased aircraft retirements or iv) introduction of new technology that would lead to increased competition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period from 1 April 2024 to 30 September 2024

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Impairment (continued)

Further, an assessment was made that notwithstanding global events such as the Israel-Palestine Conflict and a higher inflation and interest rate environment, the Lessee would continue to meet its contractual commitments and make rental payments in a timely manner such that the operations of the airline and by extension the value of the Group's Assets have not been materially impacted.

Finally consideration was given as to whether recent transactions involving A380s have had a bearing on the value of the Group's assets. However it was concluded that, since each of these transactions had their own specific circumstances differing to those of the Group, a simple inference cannot be made that those transactions have impacted the value of the Group's assets.

On the basis of these considerations, a judgement was made that the impairment charge as at 30 September 2024 should be £nil.

The Group regularly reviews the carrying amount of its Assets and monitor the Assets for any indications of impairment as required by IAS 16 and IAS 36. Quarterly the Board receives an update on the performance of Emirates Airline and whether there are any concerns over their viability from the advisors. The Board also receives regular updates on the market for A380 aircraft and whether there are any actions by Emirates or others that would make the A380 more or less attractive at that time (and therefore influence value).

Sensitivity analysis

If the estimate of uninflated residual value for use in calculating depreciation had been decreased by 10 percent (30 September 2023: 10 percent) with effect from the beginning of this Period, the depreciation charge for the Period would have increased by approximately £4.04 million (30 September 2023: £1.77 million) resulting in a reduction in profit for the Period and closing equity by £4.04 million.

An increase in residual value by 10 percent 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. The useful life of each Asset, for the purpose of depreciation of the Asset under IAS 16, is estimated based on the expected period for which the Group will own and lease the Aircraft. The Board of Directors expects that the Aircraft will have a working life in excess of this period.

Judgements

Operating Lease Commitments – Group as Lessor

The Group has entered into operating leases on four (31 March 2024: four) Assets. The Group has determined, based on an evaluation of the terms and conditions of the arrangement, including consideration of the useful life versus the useful economic life of the aircraft, that it retains all the significant risks and rewards of ownership of these Assets as well as assumes the entirety of the residual value risk, and accounts for the contracts as operating leases.

Functional Currency

The currency of the primary economic environment in which the Group operates (the functional currency) is GBP, which is also the presentation currency.

Considering the primary indicators as per IAS 21, it is unclear what the functional currency is. However after taking into consideration the secondary indicators which are as follows, the Directors are of the opinion that the functional currency is GBP:

- the Group's share capital was issued in GBP;
- its dividends are paid to Shareholders in GBP, and that certain of the Group's significant operating expenses as well as portion of the Groups' rental income are incurred/earned in GBP;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period from 1 April 2024 to 30 September 2024

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Functional Currency (continued)

- Lease rentals was received in USD (as per note 4 and 12) are used to pay the USD loan payments on the USD denominated debt;

- Although significant portion of the rental receipt and borrowings were denominated in USD, this is only because the aviation industry uses USD as its benchmark currency. As such, borrowings have been denominated in USD. So in order to hedge for foreign currency risk, significant portion of the rental income was also received in USD;

- In addition, the set-up of the leasing structures was designed to offer a GBP return to GBP investors.

4 RENTAL INCOME

	1 Apr 2024 to 30 Sep 2024 GBP	1 Apr 2023 to 30 Sep 2023 GBP
A rent income	–	24,221,656
Adjustment to spread total income receivable over the term of the lease	24,563,598	2,625,259
Amortisation of advance rental income	1,596,602	1,596,602
Deduction of rebate monies	(145,547)	(116,931)
	26,014,653	28,326,586
B rent income	10,236,192	10,236,192
Adjustment to spread total income receivable over the term of the lease	28,044	28,044
	10,264,236	10,264,236
Total rental income	36,278,889	38,590,822

Rental income is derived from the leasing of the Assets. Rent is split into A rent, which is received in USD and B rent, which is received in Sterling. Rental income received in USD is translated into the functional currency (Sterling) at the date of the transaction. The adjustment to spread income received in USD over the term of the lease has been credited to rental income in Sterling using foreign exchange rates prevailing on the dates the advanced rental income was originally received.

Total deferred income of £56,739,415 (31 March 2024: £82,782,114) is based on the difference between the actual cash received in respect of the lease income and the amount of income recognized based on a straight-line basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period from 1 April 2024 to 30 September 2024

5 OPERATING EXPENSES

	1 Apr 2024 to 30 Sep 2024 GBP	1 Apr 2023 to 30 Sep 2023 GBP
Asset management fee (Note 21)	354,264	345,623
Corporate shareholder and advisor fee (Note 21)	262,416	256,016
Directors' and officers' insurance	92,452	145,847
Directors' remuneration (Note 6)	65,750	66,625
Liaison agent fee (Note 21)	39,470	38,403
Administration fees	36,417	37,841
Legal and professional expenses	25,940	8,547
Audit fee	22,000	20,000
Accountancy fees	14,829	14,467
Registrar fees	9,028	8,304
Bank interest and charges	455	430
Other operating expenses	28,736	10,351
	951,757	952,454

6 DIRECTORS' REMUNERATION

Under their terms of appointment, each director was paid a fee of £30,000 per annum by the Group, except for the Chair, who received £37,000 per annum and the Chair of the AR Committee, who received £34,500 per annum. The rate of remuneration per Director has remained unchanged.

7 NET FOREIGN EXCHANGE (LOSSES)/GAINS

	1 Apr 2024 to 30 Sep 2024 GBP	1 Apr 2023 30 Sep 2023 GBP
Cash at bank	(31,544)	4,788
Borrowings (Note 19)	–	190,509
Rebates	–	1,587
	(31,544)	196,884

The foreign exchange loss in the Period reflects the 5.62 percent movement in the Sterling/US Dollar exchange rate from 1.2623 as at 31 March 2024 to 1.3374 as at 30 September 2024 (For the Period ended 30 September 2023: the foreign exchange gain in the Period reflects the 1.13 percent movement in the Sterling/US Dollar exchange rate from 1.2337 as at 31 March 2023 to 1.21996 as at 30 September 2023).

8 DIVIDENDS IN RESPECT OF EQUITY SHARES

	1 Apr 2024 to 30 Sep 2024	
	GBP	Pence per Share
First interim dividend	4,537,500	2.06
Second interim dividend	4,537,500	2.06
	9,075,000	4.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period from 1 April 2024 to 30 September 2024

8 DIVIDENDS IN RESPECT OF EQUITY SHARES (continued)

	1 Apr 2023 to 30 Sep 2023 GBP	Pence per Share
First interim dividend	4,537,500	2.06
Second interim dividend	4,537,500	2.06
	9,075,000	4.12

Refer to the Subsequent Events in note 22 in relation to dividends declared and paid after Period end.

9 EARNINGS PER SHARE

Earnings per share is based on the net profit for the Period attributable to holders of Shares in the Company of £22,020,905 (30 September 2023: net profit for the Period of £24,009,683) and 220,000,000 (30 September 2023: 220,000,000) Shares being the weighted average number of Shares in issue during the Period.

There are no dilutive instruments and therefore basic and diluted earnings per share are identical.

10 PROPERTY, PLANT AND EQUIPMENT – AIRCRAFT

	Aircraft 30 Sep 2024 GBP	Aircraft 31 Mar 2024 GBP
COST		
Opening balance	618,050,915	618,050,915
Closing balance	618,050,915	618,050,915
ACCUMULATED DEPRECIATION AND IMPAIRMENT		
Opening balance	450,767,229	423,793,344
Depreciation charge based on previous residual values	13,486,942	27,311,414
Adjustment due to change in USD residual values	–	(1,475,594)
Adjustment due to FX movements on residual values	–	1,138,065
Depreciation charge for the Period	13,486,942	26,973,885
Adjustment due to impairment	–	–
As at Period end	464,254,171	450,767,229
CARRYING AMOUNT		
As Period end	153,796,744	167,283,686

The Group is depreciating its Aircraft so as to ensure that the carrying value of its Aircraft at the termination of its lease equals the uninflated residual Dollar value determined at 31 March 2024 in accordance with methodology set out in note 3, translated into Sterling at the exchange rate prevailing at 31 March 2024.

All Assets are subject to operating leases. 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period from 1 April 2024 to 30 September 2024

10 PROPERTY, PLANT AND EQUIPMENT – AIRCRAFT (continued)

Under IFRS 16 the direct costs attributed in negotiating and arranging the operating leases have been added to the carrying amount of the leased Asset and therefore are being recognised as an expense over the lease term. The costs have been allocated to each Aircraft based on the proportional cost of the Asset.

Refer to note 3 for details on the impairment review, sensitivities conducted and residual value assumptions and estimates.

11 FINANCE COSTS

	1 Apr 2024 to 30 Sep 2024 GBP	1 Apr 2023 to 30 Sep 2023 GBP
Amortisation of debt arrangements costs	–	79,598
Interest payable	–	196,319
	–	275,917

12 OPERATING LEASES

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

	30 Sep 2024		31 Mar 2024	
	Aircraft- A rental receipts GBP	Aircraft- B rental receipts GBP	Aircraft- A rental receipts GBP	Aircraft- B rental receipts GBP
Year 1	–	19,626,406	–	20,472,384
Year 2	–	855,362	–	10,245,576
Year 3	–	–	–	–
Year 4	–	–	–	–
Year 5	–	–	–	–
Year 6 onwards	–	–	–	–
	–	20,481,768	–	30,717,960

The operating leases are for four Airbus A380-861 aircraft. The terms of the leases are as follows:

MSN132 Limited – term of the lease is for 12 years ending August 2025. The initial lease is for 10 years ended August 2023, with an extension period of two years ending August 2025, in which rental payments reduce.

MSN133 Limited – term of the lease is for 12 years ending November 2025. The initial lease is for 10 years ended November 2023, with an extension period of two years ending November 2025, in which rental payments reduce.

MSN134 Limited – term of the lease is for 12 years ending November 2025. The initial lease is for 10 years ended November 2023, with an extension period of two years ending November 2025, in which rental payments reduce.

MSN136 Limited – term of the lease is for 12 years ending October 2025. The initial lease is for 10 years ended October 2023, with an extension period of two years ending October 2025, in which rental payments reduce.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period from 1 April 2024 to 30 September 2024

13 RECEIVABLES

	30 Sep 2024 GBP	31 Mar 2024 GBP
Prepayments	102,841	132,541
Sundry debtors	40	40
Accrued interest	9,707	18,288
	112,588	150,869

The above carrying value of receivables is its reasonable approximation of the fair value.

14 PAYABLES

	30 Sep 2024 GBP	31 Mar 2024 GBP
Accrued administration fees	18,311	8,478
Accrued audit fee	8,502	22,000
Accrued registrar fees	22,000	1,052
Other accrued expenses	1,072	25,743
	49,885	57,273

The above carrying value of payables is its reasonable approximation of the fair value.

15 SHARE CAPITAL

The Share Capital of the Company is represented by an unlimited number of shares.

Issued	Administrative Shares	Shares
Issued shares as at 30 September 2024 and 31 March 2024	2	220,000,000

Issued	Administrative Shares GBP	Shares GBP	Total GBP
Shares			
Share Capital as at 30 September 2024 and 31 March 2024	–	208,953,833	208,953,833

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

Upon winding up, Shareholders are entitled to the surplus assets attributable to the share class remaining after payment of all the creditors of the Group. Members have the right to receive notice of and to attend, speak and vote at general meetings of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period from 1 April 2024 to 30 September 2024

15 SHARE CAPITAL (continued)

The holders of Administrative Shares are not entitled to receive, and participate in, any dividends out of income; other distributions of the Group 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, holders are entitled to a return of capital after the Shares have received a return of their capital paid up but ahead of the return of all additional capital to the holders of Shares.

The holders of Administrative Shares shall not have the right to receive notice of and no right to attend, speak and vote at general meetings of the Group, except for at a general meeting proposing a liquidation resolution or if there are no Shares in existence.

16 CASH AND CASH EQUIVALENTS

	30 Sep 2024 GBP	31 Mar 2024 GBP
Cash at bank	8,855,596	8,581,445
Cash deposits	6,154,343	6,007,453
	15,009,939	14,588,898

Cash and cash equivalents are highly liquid, readily convertible and are subject to insignificant risk of changes in value.

17 FINANCIAL INSTRUMENTS

The Group's main financial instruments comprise:

(a) Cash and cash equivalents that arise directly from the Group's operations.

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's objective is to obtain income and 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 2024 GBP	31 Mar 2024 GBP
Financial Assets		
Cash and cash equivalents	15,009,939	14,588,898
Receivables (excluding prepayments)	9,747	18,328
Financial Assets measured at amortised cost	15,019,686	14,607,226
Financial Liabilities		
Payables – due within one year	49,885	57,273
Financial Liabilities measured at amortised cost	49,885	57,273

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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period from 1 April 2024 to 30 September 2024

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Capital Management

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

The capital structure of the Group consists of cash and cash equivalents disclosed in note 16 and equity attributable to equity holders, comprising issued capital and retained earnings.

The Board reviews the capital structure on a bi-annual basis.

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

No changes were made in the objectives, policies or processes for managing capital during the Period 1 April 2024 to 30 September 2024 (None for the Period 1 April 2023 to 31 March 2024).

(b) Foreign Currency Risk

The Group's accounting policy under IFRS requires the use of a Sterling historic cost of the Assets and the value of the USD debt as translated at the spot exchange rate on every reporting date. In addition, USD operating lease receivables are not immediately recognised in the Statement of Financial Position and are accrued over the period of the Leases. The Directors consider that this introduces an artificial variance due to the movement over time of foreign exchange rates. In actuality, the USD operating lease should offset the USD payables on the amortising debt.

Lease rentals (as detailed in notes 4 and 12) were received in USD and Sterling, with rental currently only being received in Sterling. Those lease rentals previously received in USD were used to pay the equipment note repayments due, also in USD. These were repaid in full in May 2023. Both USD lease rentals and equipment note repayments were fixed and were for similar sums and similar timings. The matching of lease rentals to settle equipment note repayments therefore minimised risks caused by foreign exchange fluctuations.

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

	30 Sep 2024 GBP	31 Mar 2024 GBP
Cash and cash equivalents (USD) – Asset	529,965	558,738

The following table details the Group's sensitivity to a 15 percent (31 March 2024: 15 percent) appreciation of the USD against sterling. This represents the Directors' assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items. The table below shows that profit and other equity increase where the USD strengthens 15 percent because the net Dollar assets increase in pound terms. (31 March 2024: 15 percent). For a 15 percent (31 March 2024: 15 percent) weakening of the USD against the pound, there would be a comparable but opposite impact on the profit and other equity.

	30 Sep 2024 USD Impact GBP	31 Mar 2024 USD Impact GBP
Profit or loss	79,495	83,811
Net asset value	79,495	83,811

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period from 1 April 2024 to 30 September 2024

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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.

Refer to the going concern section page 24 where an assessment of Emirates is made.

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 2024 GBP	31 Mar 2024 GBP
Receivables (excluding prepayments)	9,747	18,328
Cash and cash equivalents	15,009,939	14,588,898
	15,019,686	14,607,226

Surplus cash in the Group is held in accounts with RBSI and Wilmington Trust. The banks have credit rating given by Moody's of P-1 and Baa1 (2024: P-1 and Baa1) respectively. The banks are shown as having a stable rating.

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

At inception of the Lease, the Group selected a Lessee with a strong balance sheet and financial outlook. The financial strength of Emirates is regularly reviewed by the Board and the Asset Manager.

(d) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in realising assets or otherwise raising funds to meet financial commitments. The Group's main financial commitments are its ongoing operating expenses. The equipment notes were repaid in full in May 2023.

Ultimate responsibility for liquidity risk management rests with the Board, which established an appropriate liquidity management framework at the incorporation of the Group, through the timings of lease rentals and debt repayments. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by monitoring forecast and actual cash flows, and by matching profiles of financial assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period from 1 April 2024 to 30 September 2024

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Liquidity Risk (continued)

The table below details the residual contractual maturities of financial liabilities.

30 Sep 2024	1-3 months GBP	3-12 months GBP	1-2 years GBP	2-5 years GBP	Over 5 years GBP	Total GBP
Financial Liabilities						
Payables	49,885	–	–	–	–	49,885
	49,885	–	–	–	–	49,885

31 Mar 2024	1-3 months GBP	3-12 months GBP	1-2 years GBP	2-5 years GBP	Over 5 years GBP	Total GBP
Financial Liabilities						
Payables	57,273	–	–	–	–	57,273
	57,273	–	–	–	–	57,273

(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 reduction in deposit interest earned on bank deposits held by the Group. In prior years, the Group mitigated interest rate risk by fixing the interest rate on the equipment notes debt and the lease rentals. The equipment notes were repaid in full in May 2023.

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

30 Sep 2024	Variable interest GBP	Fixed interest GBP	Non-interest Bearing GBP	Total GBP
Financial Assets				
Receivables (excluding prepayments)	–	–	9,747	9,747
Cash and cash equivalents	15,009,939	–	–	15,009,939
Total Financial Assets	15,009,939	–	9,747	15,019,686
Financial Liabilities				
Payables	–	–	49,885	49,885
Total Financial Liabilities	–	–	49,885	49,885
Total interest sensitivity gap	15,009,939	–		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period from 1 April 2024 to 30 September 2024

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Interest Rate Risk (continued)

31 Mar 2024	Variable interest GBP	Fixed interest GBP	Non-interest Bearing GBP	Total GBP
Financial Assets				
Receivables (excluding prepayments)	–	–	18,328	18,328
Cash and cash equivalents	14,588,898	–	–	14,588,898
Total Financial Assets	14,588,898	–	18,328	14,607,226
Financial Liabilities				
Payables	–	–	57,273	57,273
Total Financial Liabilities	–	–	57,273	57,273
Total interest sensitivity gap	14,588,898	–		

If interest rates had been 250 basis points (31 March 2024: 250 basis points) higher throughout the Period and all other variables were held constant, the Group's net assets attributable to Shareholders as at 30 September 2024 would have been £375,248 (31 March 2024: £364,722) greater due to an increase in the amount of interest receivable on the bank balances.

If interest rates had been 250 basis points (31 March 2024: 250 basis points) lower throughout the Period and all other variables were held constant, the Group's net assets attributable to Shareholders as at 30 September 2024 would have been £375,248 (31 March 2024: £364,772) lower due to a decrease in the amount of interest receivable on the bank balances.

19 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table discloses the effects of the amendments to IAS 7 Statement of Cash Flows which requires additional disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flows. This table below excludes non-cash flows arising from the amortisation of associated costs. The equipment notes were repaid in full in May 2023.

	30 Sep 2024 GBP	30 Sep 2023 GBP
Opening Balance	–	24,215,843
Cash flows paid – capital	–	(24,209,370)
Cash flows paid – interest	–	(200,518)
Non-cash flows		
– Interest accrued	–	196,319
– Rebates movement	–	189,822
– Effects of foreign exchange – Rebates	–	(1,587)
– Effects of foreign exchange – Loans	–	(190,509)
Closing Balance	–	–

20 ULTIMATE CONTROLLING PARTY

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period from 1 April 2024 to 30 September 2024

21 RELATED PARTY TRANSACTIONS AND MATERIAL CONTRACTS

Related parties

The Board are considered to be key management personnel. For details regarding the Directors' remuneration please refer to note 6.

Significant contracts with related parties who provide key management personnel to the reporting entity

Both the Asset Manager and Corporate Shareholder Adviser are considered as providing key management personnel as they indirectly contribute to the planning, directing, and controlling the activities of the Group.

Amedeo is the Group's Asset Manager.

During the Period, the Group incurred £393,734 (30 September 2023: £384,026) of expenses with Amedeo of which £354,264 (30 September 2023: £345,623) related to asset management fees as shown in note 5 and £39,470 (31 September 2023: £38,403) was liaison agent. As at 30 September 2024, £19,843 (31 March 2024: £59,313) was prepaid to this related party.

Nimrod is the Group's Corporate and Shareholder Advisor.

During the Period, the Group incurred £262,416 (30 September 2023: £256,016) of expenses with Nimrod. As at 30 September 2024, £nil (31 March 2024: £nil) was owing to this related party.

22 SUBSEQUENT EVENTS

On 15 October 2024, a further dividend of 2.0625 pence per Share was declared and this was paid on 31 October 2024.

No other subsequent events to disclose.

KEY ADVISORS AND CONTACT INFORMATION

KEY ADVISERS AND CONTACT INFORMATION

KEY INFORMATION

Exchange:	Specialist Fund Segment of the London Stock Exchange's Main Market
Ticker:	DNA3
Listing Date:	2 July 2013
Financial Year End:	31 March
Base Currency:	Pound Sterling
ISIN:	GG00B92LHN58
SEDOL:	B92LHN5
LEI:	213800BMYMCBKT5W8M49
Country of Incorporation:	Guernsey
Registration number:	54908

MANAGEMENT AND ADMINISTRATION

Registered Office
Doric Nimrod Air Three Limited
Ground Floor
Dorey Court
Admiral Park
St Peter Port
Guernsey, GY1 2HT

Secretary and Administrator
JTC Fund Solutions (Guernsey) Limited
Ground Floor
Dorey Court
Admiral Park
St Peter Port
Guernsey, GY1 2HT

Asset Manager
Amedeo Limited
Pembroke House
28-32 Pembroke Street Upper
Dublin 2, Ireland
D02 EK84

Liaison Agent
Amedeo Services (UK) Limited
35 New Broad Street
New Broad Street House
London
EC2M 1NH

Corporate and Shareholder Adviser
Nimrod Capital LLP
35 Ballards Lane
London
N3 1XW

Registrar
JTC Registrars Limited
Ground Floor, Dorey Court
Admiral Park
St Peter Port
Guernsey, GY1 2HT

Lease and Debt Arranger
Amedeo Limited
Pembroke House
28-32 Pembroke Street Upper
Dublin 2, Ireland
D02 EK84

Advocates to the Company (as to Guernsey Law)
Carey Olsen
Carey House
Les Banques
St Peter Port
Guernsey, GY1 4BZ

Auditor
Grant Thornton Limited
St James Place
St James Street
St Peter Port
Guernsey
GY1 2NZ

Solicitors to the Company (as to English Law)
Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
England, EC2A 2HS

The paper used in this publication is 100% post consumer reclaimed material, certified in accordance with the FSC® (Forest Stewardship Council), reducing the impact of landfill and energy consumption.