DORIC NIMROD AIR ONE LIMITED

Annual Financial Report

From 1 April 2021 to 31 March 2022

CONTENTS

DEFINITIONS

"AED"	United Arab Emirates dirham
"AGM"	Annual general meeting
"AR Committee"	Audit and Risk Committee
"Articles"	Company's Articles of Incorporation
"ASKs"	Available seat kilometres
"Asset" or the "Aircraft"	Airbus A380-861 Aircraft, manufacturer's serial number 016
"ATAG"	Air Transport Action Group
"BA"	British Airways
"Board"	Company's Board of Directors
"CDS's"	Credit Default Swaps
"Chair"	Chair of the Board
"Code"	The UK Corporate Governance Code
"CORSIA"	Carbon Offsetting and Reduction Scheme for International Aviation
"Deloitte"	Deloitte LLP
"DGTRs"	Disclosure Guidance and Transparency Rules
"DNA" or the "Company"	Doric Nimrod Air One Limited
"Doric" or the "Asset Manager"	Doric GmbH
"Doric LLP"	Doric Partners LLP
"DWC"	Dubai World Central International Airport
"Emirates" or the "Lessee"	Emirates Airline
"EPS or LPS"	Earnings/loss per share
"ESG"	Environmental, Social and Governance
"EU"	European Union
"EU ETS"	European Union Emission Trading Scheme
"FCA"	Financial Conduct Authority
"FRC"	Financial Reporting Council
"FVOCI"	Fair value through other comprehensive income
"FVTPL"	Fair value through profit or loss
"GBP", "£" or "Sterling"	Pound Sterling
"GFSC"	Guernsey Financial Services Commission
"GT" or "Grant Thornton"	Grant Thornton Limited
"GHG"	Greenhouse gas

DEFINITIONS (continued)

"IAS 1"	International Accounting Standard 1 – Presentation of financial statements
"IAS 8"	International Accounting Standard 8 – Accounting policies
"IAS 16"	International Accounting Standard 16 – Property, Plant and Equipment
"IAS 36"	International Accounting Standard 36 – Impairment of Assets
"IASB"	International Accounting Standards Board
"IATA"	International Air Transport Association
"ICAO"	International Civil Aviation Organization
"IFRIC"	International Financial Reporting Interpretations Committee
"IFRS"	International Financial Reporting Standards
"IFRS 16"	IFRS 16 – Leases
"IPCC"	Intergovernmental Panel on Climate Change
"IPO"	Initial Purchase Offering
"ISAE 3402"	International Standard on Assurance Engagement 3402
"ISTAT"	International Society of Transport Aircraft Trading
"JTC" or "Secretary" or "Administrator"	JTC Fund Solutions (Guernsey) Limited
"Law"	The Companies (Guernsey) Law, 2008, as amended
"Lease"	Lease of Aircraft to Emirates
"Loan"	Borrowings obtained by the Company to part-finance the acquisition of the Aircraft
"LSE"	London Stock Exchange
"NBV"	Net book value
"Nimrod" or "Corporate and Shareholder Adviser"	Nimrod Capital LLP
"Pandemic"	COVID-19 pandemic
"Period"	1 April 2021 until 31 March 2022
"PIEs"	Public Interest Entities
"PLF"	Passenger load factor
"PPS"	Profit Per Share
"Registrar"	JTC Registrars Limited
"RPKs"	Revenue passenger kilometres
"SAF"	Sustainable Aviation Fuel
"SDG"	Sustainable Development Goals
"SFS"	Specialist Fund Segment of the London Stock Exchange's Main Market

DEFINITIONS (continued)

"Shareholders"	Shareholders of the Company
"Shares"	Ordinary Preference Shares of the Company
"Share Capital"	Share capital of the Company
"SID"	Senior Independent Director
"TAP"	TAP Air Portugal
"UAE"	United Arab Emirates
"UK"	United Kingdom
"USD", or "$"	United States Dollar
"VIU"	Value-in-use
"WACC"	Weighted average costs of capital
"Westpac"	Westpac Banking Corporation

SUMMARY INFORMATION

Listing	Specialist Fund Segment of the London Stock Exchange's Main Market
Ticker	DNA
Share Price	31.50 pence (as at 31 March 2022) 59.00 pence (as at 30 August 2022)
Market Capitalisation	GBP 25.05 million (as at 30 August 2022)
Current/Future Anticipated Dividend	Current dividends are 2.25 pence per quarter per share (9 pence per annum) and it is anticipated that this will continue until the aircraft lease terminates in December 2022
Dividend Payment Dates	October, January
Currency	Sterling
Launch Date/Share Price	13 December 2010/100 pence
Incorporation and Domicile	Guernsey
Aircraft Registration Number (Lease Expiry Date)	A6 – EDC (16 December 2022)
Asset Manager	Doric GmbH
Corporate and Shareholder Adviser	Nimrod Capital LLP
Administrator	JTC Fund Solutions (Guernsey) Limited
Auditor	Grant Thornton Limited
Market Makers	finnCap Ltd Investec Bank Jefferies International Ltd Numis Securities Ltd Shore Capital Limited Winterflood Securities Ltd
SEDOL, ISIN, LEI	B4MF389, GG00B4MF3899, 2138009FPM7EH4WDS168
Year End	31 March
Stocks & Shares ISA	Eligible
Website	www.dnairone.com

COMPANY OVERVIEW

DNA is a Guernsey company incorporated on 8 October 2010. Its Shares were admitted to trading on the SFS on 13 December 2010.

The Company's total issued Share Capital currently consists of 42,450,000 Shares which were admitted to trading at an issue price of 100 pence per Share. As at 30 August 2022, the latest practicable date prior to publication of this report, these Shares were trading at 59.00 pence per Share.

Investment Objectives 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 a single aircraft. The Company purchased one Aircraft in December 2010 for USD179 million, which it leased for twelve years to Emirates, the national carrier owned by The Investment Corporation of Dubai based in Dubai, UAE.

The operating lease is for an Airbus A380 aircraft. The term of the Lease is for 12 years ending December 2022 with reduced rental payments in the last two years and no extension option. The Company and Emirates have now reached agreement that at the lease end date, currently expected to be 16th December 2022, the Company will sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company are £25.30 million.

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

Distribution Policy

The Company currently targets a distribution of 2.25 pence per Share per quarter.

There can be no guarantee that dividends will be paid to Shareholders and, if dividends are paid, as to the timing and amount of any such dividend. There can also be no guarantee that the Company will, at all times, satisfy the solvency test required to be satisfied pursuant to section 304 of the Law, enabling the Board to effect the payment of dividends.

Performance Overview

All payments by Emirates have, to date, been made in accordance with the terms of the Lease.

During the Period, and in accordance with the Distribution Policy, the Company declared four interim dividends of 2.25 pence per Share. Two interim dividends of 2.25 pence per Share have been declared after the Period. Further details of dividend payments can be found on page 22.

Return of Capital

The Company and Emirates have now reached agreement that at the lease end date ("Lease End Date"), currently expected to be 16th December 2022, the Company will sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company are £25.30 million. The Directors intend to distribute the sale proceeds to Shareholders, net of any liquidation and other costs and assuming successful completion and no further or unexpected costs or events, as soon as possible following the Lease End Date. It is currently anticipated that the process for liquidation of the Company will, subject to the passing of the required resolution at a general meeting of the Company, commence as soon as practicably possible thereafter, following payment of monies to Shareholders.

Liquidation Resolution

Although the Company does not have a fixed life, the Articles previously required that the directors convene a general meeting of the Company ("Liquidation Proposal Meeting") six months before the end of the term of the Lease where an ordinary resolution will be proposed that the Company proceeds to an orderly wind-up (the "Liquidation Proposal") at the end of the term of the Lease ("Lease End"). In an extraordinary general meeting held on 10 May 2022 it was resolved that the timetable for the

COMPANY OVERVIEW (continued)

Liquidation Proposal Meeting be adjusted to allow for the meeting to be convened within four months after the date of the Lease End and the Liquidation Proposal tabled at that meeting. The directors may propose alternatives to winding-up for the Company to the Shareholders at the Liquidation Proposal Meeting. If the liquidation resolution is not passed, the directors will implement any alternative that was proposed to the Shareholders at the Liquidation Proposal Meeting or, if no such alternative was proposed, shall consider and propose alternatives for the Company at a further general meeting of the Shareholders.

Since, subject to shareholder approval at the Liquidation Proposal Meeting, it is the Directors' intention to proceed to an orderly wind up of the Company within 12 months of the Board's approval of this Annual Financial Report, it is considered that the Company no longer meets the definition of a going concern (ie an entity which will continue its operations for the foreseeable future).

Nothwithstanding this determination, the Directors consider that the Company remains solvent and is able to meet its liabilities as they fall due.

CHAIR'S STATEMENT

During the Period the Company has declared and paid four quarterly dividends of 2.25 pence per Share each, at a rate of dividend payment equivalent to 9 pence per Share.

The Company's investment objective is to obtain income returns and a capital return for its Shareholders by acquiring, leasing and then selling a single aircraft. The Company purchased the Aircraft in December 2010 which it leased to Emirates. A senior secured finance facility provided by Westpac, in the amount of USD122 million made up the monies along with the placing proceeds for the acquisition of the Asset. Upon the purchase of the Aircraft, the Company entered into a 12 year Lease with Emirates with fixed Lease rentals for the duration. The debt portion of the funding is designed to be fully amortised over the term of the Lease, which would leave the Aircraft unencumbered on the conclusion of the Lease. Emirates bears all costs (including maintenance, repair and insurance) relating to the Aircraft during the lifetime of the Lease. At 30 August 2022, the latest practical date prior to this report, the Company had outstanding debt associated with the Aircraft totalling USD 2.2 million (2% of the initial balance). At the time of writing the Share price is 59.00 pence, representing a market capitalisation of GBP25.05 million based on the 42,450,000 Shares in issue.

All payments by Emirates during the Period and throughout the Lease have been made in accordance with the terms of the Lease. MSN 016, the serial number of the A380 held by the Company, has been stored since March 2020, at DWC.

I am pleased to report that the Company and Emirates have now reached agreement that at the lease end date, currently expected to be 16 December 2022, the Company will sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company are £25.30 million. The Directors intend to distribute the sale proceeds to Shareholders, net of any liquidation and other costs, as soon as possible following the lease end date. It is currently anticipated that the process for liquidation of the Company will, subject to the passing of the required resolution at a general meeting of the Company, commence as soon as practicably possible thereafter, following payment of monies to Shareholders.

Until the Lease End Date, the Company and the operating lease will continue as contracted. The Directors therefore anticipate that between now and the Company's liquidation (currently expected to be early in the first calendar quarter of 2023), subject to successful completion and no unexpected costs or events, to distribute to Shareholders, both in the form of quarterly dividends and a capital return, a total of approximately 63.75 pence per share (following payment of the July dividend).

The Board wishes to thank both its advisors, Doric and Nimrod, for their advice and assistance in achieving this settlement. The Board would also like to thank the Lessee. Emirates is not only an excellent airline, providing a professional and greatly valued service with its A380 fleet, but has also been an excellent tenant. Further announcements regarding the return of monies to Shareholders will be made in due course.

Whilst Emirates do not have a formal credit rating, they have previously issued unsecured USD bonds with maturities in 2023, 2025 and 2028. At the time of writing these instruments are trading at approximately 99.8, 99.2 and 98.3 cents respectively, equivalent to USD running yields in the range of roughly 3.9 to 4.6%. Further details on Emirates and the A380 can be found in the Asset Manager's report by Doric.

This report delivers the latest iteration of the Company's Environmental, Social and Governance (ESG) Policy. This report provides Shareholders with further detail on the Company's business model and matters such as the environmental and social considerations of the aviation industry and the importance of high standards of Corporate Governance. Your Board recognises the importance of ESG matters in relation to shareholders' investment considerations and has sought to address the topic in a pragmatic fashion, as detailed in our ESG report on page 33.

Doric continues to monitor the Lease and is in frequent contact with the Lessee and reports regularly to the Board. Nimrod continues to liaise with Shareholders on behalf of the Board and has provided valuable feedback on the views of Shareholders in the current climate.

CHAIR'S STATEMENT (continued)

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.

Finally, on behalf of the Board, I would like to thank our service providers for all their help and, most importantly, all Shareholders for their patience and constructive role throughout the Company's life.

Charles Wilkinson
Chair

9 September 2022

ASSET MANAGER'S REPORT

At the request of the Board 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 March 2022 unless otherwise noted.

COVID-19

The Pandemic continues to impact private and economic life worldwide. The consequences of COVID-19 are far reaching and changing at a significant pace. The impact of this Pandemic on the aviation sector has been significant. At the end of January 2022 about 18% of the global commercial passenger aircraft fleet was still in storage. This is an improvement of 5 percentage points compared to the levels six month earlier, but still 11 percentage points higher than in January 2019.

This Asset Manager's report is exclusively based on facts known at the time of writing and does not seek to draw on any speculation about any possible future long-term impacts of the Pandemic on the aviation sector or the Company specifically and should be read in such context.

1. The Doric Nimrod Air One Airbus A380

The Airbus A380 is registered in the United Arab Emirates under the registration mark A6-EDC. The aircraft has been stored since March 2020, currently at DWC.

Maintenance Status

Emirates maintains its A380 aircraft fleet based on a maintenance 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.

Due to the continuing COVID-19 pandemic, Emirates has stored the Aircraft. The lessee has "a comprehensive aircraft parking and reactivation programme [in place], that strictly follows manufacturer's guidelines and maintenance manuals". In addition, Emirates has enhanced standards and protocols of their own, to protect and preserve the Asset during the downtime. This includes the watertight sealing of all apertures and openings through which environmental factors – sand, water, birds, and insects – can find their way inside an aircraft. During parking, maintenance teams complete periodic checks at different intervals. Depending on the reactivation date of a specific aircraft, Emirates might defer due maintenance checks, which are calendar-based, until that time. This would allow the airline to make use of the full maintenance interval once the operation of a specific aircraft resumes.

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

Lease Expiry/Sale of the Aircraft

In July 2022, the Company and Emirates reached agreement that at the lease end date, currently expected to be 16 December 2022, the Company will sell the Aircraft to Emirates. The sale proceeds to be paid by Emirates to the Company are GBP 25.30m. The Directors intend to distribute the sale proceeds to Shareholders, net of any liquidation and other costs and assuming successful completion and no further or unexpected costs or events, as soon as possible following the lease end date. It is currently anticipated that the process for liquidation of the Company will commence as soon as practicably possible thereafter, following payment of monies to Shareholders. Until the lease end date, the Company and the operating lease will continue as contracted. The Directors therefore anticipate that between the end of August 2022 and the Company's liquidation (currently expected to be early in the first calendar quarter of 2023), subject to successful completion and no unexpected costs or events, to distribute to Shareholders, both in the form of quarterly dividends and a capital return, a total of approximately 63.75 pence per Share.

ASSET MANAGER'S REPORT (continued)

2. Market Overview

The impact of COVID-19 on the global economy has been severe, resulting in a contraction in global GDP of 3.4% for 2020, followed by an expected recovery of 5.5% in 2021 and 4.1% in 2022, according to the World Bank. In its latest economic impact analysis from March 2022, the International Civil Aviation Organization (ICAO) estimates that the full year 2021 experienced an overall reduction in seats offered by airlines of 40% compared with pre-crisis 2019 levels. In the current year, the number of seats offered by airlines is expected to be reduced by 20% to 23% from its 2019 levels. This translates into a 34% to 38% seat reduction in the international passenger traffic segment, while domestic air passenger traffic is less affected from the Pandemic.

The International Air Transport Association (IATA) indicates an airline industry-wide net loss of USD 51.8 billion for 2021, after approximately USD 137.7 billion in the previous year, according to its latest estimates from October 2021. For 2022, the combined net loss of airlines worldwide is expected to reach USD 11.6 billion. However, the estimate does not yet include negative geopolitical impacts from the Russian invasion of Ukraine.

The rebound in global air passenger traffic has continued through calendar year-end 2021, supported by vaccine rollouts, improved testing efficiency and a strong demand over the holiday season, which compensated for the Omicron-related disruptions towards the end of the year. Overall, industry-wide RPKs rose to 41.6% of its 2019 pre-Pandemic levels, which is an improvement of 7.4 percentage points against 2020. Industry-wide capacity, measured in ASKs, recovered to 51.2% of pre-Pandemic levels in 2021. The global PLF averaged at 67.2% last year, down by 15.4 percentage points from 2019.

Global air travel had a soft start into 2022 as disruptions due to the Omicron variant have left their marks. While industry-wide RPKs rose by 82.3% year-on-year in January 2022, this key performance indicator was 4.9% down compared to December 2021. The PLF averaged 64.5% during the month of January 2022, an improvement of 10.8 percentage point compared to the same month a year ago.

With the number of new COVID-19 infections per week more than halved between mid-January and late-February 2022, IATA's outlook beyond Q1 2022 has become more optimistic. However, the war in Ukraine as well as rising inflationary pressure were clearly identified as "downside risks to further recovery". More and more countries have started to lift their international travel restrictions, including some in the long-time closed Asia Pacific region such as Australia, while the Chinese international market remains shut. The war in Ukraine will likely disrupt air travel in this area and likely also beyond. With Russian airspace banned for European and US carriers, IATA expects delays, expensive rerouting or complete cancellations of flights on some routes. The spike in oil prices translating into a sharp increase in jet fuel prices will most likely result in higher fares on some routes. This could particularly impact the more price-sensitive leisure travel segment.

Source: IATA, ICAO, World Bank

3. Lessee – Emirates

Network

In late January 2022 Emirates announced a resumption of passenger operations between Dubai and five African countries including South Africa, Kenya, Ethiopia, Tanzania, and Zimbabwe by the end of the month. This includes double daily services from Johannesburg and daily services from Cape Town and Durban to Dubai respectively.

With the return of passenger services to and from Casablanca (Morocco) in February 2022, Emirates has fully restored its pre-Pandemic African network with 21 destinations across the continent.

In March 2022 Emirates and Garuda Indonesia launched their codeshare partnership which gives customers of Emirates and Indonesia's national carrier seamless connectivity on 16 routes between Indonesia, the Middle East and Europe. Emirates currently has codeshare cooperation agreements in place with 23 airline partners and two rail companies around the world.

ASSET MANAGER'S REPORT (continued)

From 1 April 2022 Emirates will re-instate its pre-pandemic flight frequencies to the carrier's nine destinations in India, intending to operate 170 weekly flights from Dubai. Already since March 2022 the lessee has brought back its daily A380 service between Dubai and Mumbai.

From 1 May 2022 Emirates will add a second daily A380 flight from Dubai to Melbourne in Australia, doubling the daily seat capacity to more than 1,000. Demand for international travel is expected to increase following the re-opening of Australia's borders. Reportedly, Australia is the third-largest destination for Emirates' A380. As of May Emirates will also operate A380 services twice daily to Sydney and a daily A380 service to Brisbane. In addition, the lessee will offer daily flights to Perth on a Boeing 777-300ER.

Emirates has confirmed that it will be commencing daily services to Tel Aviv (Israel) from 23 June 2022 with its three-class Boeing 777-300ER, adding another country to its global network. The flight schedules will allow passengers arriving in Dubai to conveniently reach connecting flights to popular holiday destinations including Thailand, India, the Philippines, the Maldives, Sri Lanka, and South Africa.

In late March 2022 Emirates' President, Sir Tim Clark, announced that the airline would continue to fly to Russia "as long as the state, our owner, requires us to fly there" and continued: "We carry humanitarian goods in our holds. We've got NGOs travelling in and out of Russia. We have got the diplomatic community going in and out ... so all we're doing is being an enabler, facilitator, without taking a political position on this for the time being".

Current flight schedules indicate that Emirates has deferred A380 services to the following destinations beyond 2022: Beijing, Birmingham, Copenhagen, Hong Kong, Nice, Prague, Shanghai, and Tokyo. Earlier versions of the flight schedules showed that the superjumbo would operate on these routes at some point this year. The adjustments are a result of "a routine review of our operational requirements", according to an Emirates spokesperson.

As of May 2022, Emirates will no longer operate lessor owned aircraft in Russia, due to restrictions imposed upon their insurance policy, but they may continue to operate aircraft they own on Russian routes.

By 31 March 2022, Emirates was operating over 1,100 weekly passenger flights to 127 airports around the world.

Fleet

In late February 2022 Emirates' President, Sir Tim Clark, provided insight into fleet operating considerations for his airline. Reporting on recycling efforts of Emirates' first five A380s recently retired, Clark pointed out that these efforts will not continue with more A380s: "Cutting up the A380 fleet stops there, after these five are retired, all the other aircraft remain. In fact, where we started to drop some, I just decided to bring them back into the program." With a looming aircraft shortage in Emirates' fleet in 2024/25, Clark wants to extend aircraft lives: "Life extension will affect about 120 aircraft, 80 of them A380s, plus about 40 or 50 Boeing 777-300ERs. The exact numbers haven't been fixed, it's a movable feast. Their life will be extended by six to ten years each."

Clark is sceptical about the delivery timelines of the new aircraft types the airline has ordered with Airbus and Boeing. He also stressed that the planes need to be "in the shape that the contract requires":

Boeing 777X

Clark claims Boeing has already produced twelve Boeing 777-9 for Emirates which the manufacturer has put in storage without their engines. But he cannot foresee when these aircraft could be delivered. Due to certification issues he considers it less likely that Boeing will achieve certification in July 2023. At some point Emirates could even cancel the order: "If it goes beyond 2023 and it goes on for another year, we probably cancel the program." But with Airbus A380 and Boeing 747 no longer available for order, the Boeing 777X is the biggest in production aircraft and Clark still hopes to get it even with four years' delay. Only weeks later Boeing had to admit that its late-2023 target for the first 777X deliveries to airline customers is no longer achievable, now aiming for a delivery date in early 2025.

ASSET MANAGER'S REPORT (continued)

Boeing 787

The aircraft are supposed to be delivered from May 2023. But Clark does not expect the 30 Boeing 787s to join his fleet anytime soon: "Look at the huge backlog, they haven't produced any aircraft lately, that'll take them two or three years to go over that. They [have] got production and quality control issues that they admit, and now after the [Boeing 737] MAX crisis with the regulator saying 'we want to have a good look at everything', that is slowing the whole thing down."

Airbus A350

Emirates has also ordered 50 Airbus A350-900 wide body aircraft with the first deliveries starting in 2023, according to data and aviation analytics provider Cirium. But a legal dispute between manufacturer Airbus and A350 operator Qatar Airways (Qatar) about deterioration of the aircraft's paint and lightning protection issues is challenging this timeline. Upon instruction from its civil aviation authority, Qatar had to ground a significant number of A350s and will not accept any new deliveries from Airbus until the issues have been resolved. Addressing the manufacturer, Clark made clear that he would not accept any deliveries until Airbus has developed a fix: "If we have the same problem on one of our aircraft, we won't take them over."

During the 2021/22 financial year Emirates reportedly extended the operating lease agreements for 12 aircraft, "most of which were due to retire in the current year", according to its annual report.

The table below details the passenger aircraft fleet activity as of 31 March 2022:

Passenger Aircraft Fleet Activity

Aircraft Type	Grounded	In Service
A380	50	71
777	0	124
Total	**50**	**195**
%	**20%**	**80%**

Source: Cirium as of 31 March 2022

Commenting on the number of A380 aircraft currently in service, Sir Tim Clark explained that returning more of them is contingent on being able to hire more crew to operate the jets. Emirates intends to hire 8,000 to 10,000 crew members to fly these A380s but is constrained by how soon it can re-hire some of the pilots it let go, retrain staff and cope with the changes in the labour market after the pandemic. He would be happy to utilise the additional capacity: "Today, if we had 118 [A380s] they'd all be full," he said.

Back in December 2021, Emirates received its 123rd Airbus A380 which also marked the end of production of the world's largest commercial aircraft. On this occasion, Emirates' President, Tim Clark, confirmed that "the A380 will remain Emirates' flagship product for the coming years, and a vital pillar of our network plans".

Key Financials

In the financial year ending 31 March 2022, Emirates recorded a net loss of AED 3.9 billion (USD 1.1 billion), the second in more than 30 years. This is a significant improvement of the airline's profitability, after the previous year's net loss amounted to AED 20.3 billion (USD 5.5 billion). Thanks to an expansion of its global capacity and reinstatement of more passenger flights, the lessee was able to increase its revenue by 91% to AED 59.2 billion (USD 16.1 billion). The share of the cargo business to Emirates' overall revenue is 37%.

Pandemic-induced travel restrictions and safety measures in many regions around the globe were partially retracted and allowed passenger air travel to recover from its Pandemic lows. During the 2021/22 financial year Emirates carried 19.6 million passengers, almost a tripling from last year, but still two third below its pre-Pandemic levels. As more countries eased travel restrictions,

ASSET MANAGER’S REPORT (continued)

Emirates increased its capacity measured in ASKs, by 150%. At the same time its passenger traffic, measured in RPKs, increased by 235%. This resulted in the average passenger seat load factor of 58.6%, an improvement of 14.3 percentage points compared to last year. Emirates strives to return to 100% of its pre-Pandemic capacity, measured in available tonne kilometres, by the 2023/24 financial year.

Given the substantial increase in flight operations, Emirates’ operating costs increased by 29.8%. The carrier’s fuel cost more than doubled compared to the same period last year, primarily due to a 66% higher fuel uplift in line with increasing flight operations as well as a 75% increase in average fuel prices. Fuel, which had been the largest component of Emirates’ operating cost prior to the Pandemic, accounted for 23% of operating costs. The increase in jet fuel prices was partially mitigated through hedging. Depreciation, amortisation and impairment still remain the largest component of the carrier’s operating cost for the second consecutive year with a share of 30%.

The recovery in Emirates’ operations during the 2021/22 financial year led to an improved EBITDA of AED 17.7 billion (USD 4.8 billion) compared to AED 4.6 billion (USD 1.3 billion) from last year. Demand for air freight also remained strong. The volume of cargo uplifted increased by 14% to 2.1 million tonnes, restoring Emirates’ cargo operation to almost 90% of its pre-Pandemic (2019) levels by volume handled. Robust demand for essential goods and medical supplies and global supply chain issues making air cargo popular due to lower lead times were pushing overall air cargo demand from Emirates’ customers. To meet overall demand in its passenger and cargo businesses the airline recalled employees on furlough or unpaid leave, rehired those previously impacted by layoffs and launched recruitment drives. These measures resulted in an increase in employee numbers by 12.4% to 45,843 at the end of March 2022.

As of 31 March 2022, Emirates’ total liabilities decreased by 1.5% to AED 129.7 billion (USD 35.3 billion) compared to the end of the previous financial year. Amongst other things, the airline repaid AED 4.5 billion (USD 1.2 billion) in debt out of the total of AED 17.5 billion (USD 4.8 billion) raised since the beginning of the Pandemic. Total equity came in at an almost unchanged AED 20.3 billion (USD 5.5 billion). Emirates’ equity ratio stood at 13.5% and its cash position, including short term bank deposits, amounted to AED 20.9 billion (USD 3.9 billion) at the end of March 2022. In comparison, the carrier had AED 15.1 billion (USD 4.1 billion) in cash assets and short-term bank deposits at the end of the 2020/21 financial year. The cash flow from operating activities came in at AED 24.4 billion (USD 6.7 billion) in 2021/22, the highest in the company’s history.

During the 2021/22 financial year, the carriers’ ultimate shareholder, the government of Dubai, continued to support the airline and therefore injected equity of AED 3.5 billion (USD 0.95 billion). Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive Emirates Airline and Group, the combined business of Emirates Airline and ground handler dnata, stated in the latest annual report that “our business recovery picked up pace in 2021-22 as pandemic-related restrictions lifted around the world, particularly in the second half of our financial year”, and added “As a group we invested over AED 7.9 billion [USD 2.2 billion] in new aircraft, engines, equipment, facilities and technologies … As travel restrictions around the world eased, we reinstated services, added flights to dozens of cities, and ramped up our A380 deployment to efficiently serve pent-up customer demand”.

As at the end of March 2022, Emirates has outstanding US dollar debt issuances with maturities in 2023, 2025, and 2028. These bonds were all trading at above par (100 cents) respectively and with running yields ranging from approximately 3.9% to 4.4% in US dollars. There has also been no upward pressure on yields. This level of yields does not appear to indicate any significant financial stress to the issuer. In its most recent annual financial report, the auditor PricewaterhouseCoopers issued an unqualified audit report. And the management of Emirates Group (combined businesses of Emirates Airline and dnata) expects to return to profitability in the 2022/23 financial year “while keeping a close watch on headwinds such as high fuel prices, inflation, new COVID-19 variants, and political and economic uncertainty”. In the second half of the 2021/22 financial year Emirates already generated a net profit of AED 1.9 billion (USD 0.5 billion), which helped to significantly improve profitability in the 2021/22 financial year.

Source: Airline Ratings, Emirates, Reuters, The National

4. Aircraft – A380

As of the end of March 2022, the global A380 fleet consisted of 238 planes with 14 airline operators. Only 97 of these aircraft were in service. The remainder of the fleet is currently parked due to COVID-19. The 14 operators are Emirates (121), Singapore

ASSET MANAGER'S REPORT (continued)

Airlines (17), Deutsche Lufthansa (14), Qantas (12), British Airways (12), Korean Air Lines (10), Etihad Airways (10), Qatar Airways (10), Air France (8), Malaysia Airlines (6), Thai Airways (6), Asiana Airlines (6), China Southern Airlines (3), and All Nippon Airways (3).

The A380 became the latest Airbus aircraft type to perform a test flight with one of its engines powered by 100% sustainable aviation fuel (SAF). The particular SAF used for that flight performed by aircraft manufacturer Airbus consisted mainly of used cooking oil as well as some other waste fats. An increasing use of SAF is the single most important measure to meet the aviation industry's target of net-zero carbon emissions by mid-century and could account for as much as 53% to 71% of carbon reductions required to meet that target.

In January 2022 A380 operator Asiana Airlines dropped plans to redeploy its A380 on routes from Seoul to Frankfurt and Los Angeles for the 2022 summer schedule. Flight schedules now indicate a return for the aviation winter season starting on 30 October 2022.

In February 2022 various sources reported that China Southern Airlines had decided to retire its fleet of five A380s by the end of the year. China's international borders continue to remain largely closed and the country has a quarantine requirement. Unlike other countries, there is no indication of restrictions being lifted anytime soon.

In February 2022 Airbus announced that the first A380 ever built, with manufacturer's serial number 1, has been picked to become Airbus' so-called ZEROe demonstrator, an important tool for Airbus' aspirations to develop the world's first zero-emission commercial aircraft by 2035. The multi-year demonstrator programme is designed to test a variety of hydrogen technologies both on the ground and in the air. "It will carry four liquid hydrogen tanks in a caudal position, as well as a hydrogen combustion engine mounted along the rear fuselage", according to an Airbus press release. Demonstrator aircraft are fundamental to developing new aviation technology and primarily used to test and prove the viability of designs, processes, fuels, materials, and equipment, both on the ground and in the air.

DIRECTORS

As at 31 March 2022 the Company had four directors all of whom were independent and non-executive.

Charles Edmund Wilkinson – Chair of the Company and Nomination Committee
Charles Wilkinson is a solicitor who retired from Lawrence Graham LLP in March 2005. While at Lawrence Graham he specialised in corporate finance and commercial law, latterly concentrating on investment trust and fund work.

Charles is a director of Doric Nimrod Air Two Limited and Chair of Doric Nimrod Air Three Limited. Charles is also a director of Landore Resources Ltd, a Guernsey based mining exploration company. He is resident in Guernsey.

Geoffrey Alan Hall – Chair of the AR Committee
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. Geoffrey is also the Chair of Doric Nimrod Air Two Limited and a director and Chair of the AR Committee of Doric Nimrod Air Three 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 United Kingdom.

Fiona Le Poidevin
Fiona Le Poidevin is a non-executive director with a particular focus on listed investment companies and private equity. Among her appointments, Fiona is non-executive director and Audit Chair of ICG-Longbow Senior Secured UK Property Debt Investments Limited, a premium listed company with shares admitted to trading on the Main Market of the LSE. She is also a director of Doric Nimrod Air Two Limited and Doric Nimrod Air Three Limited.

A Chartered Director, Fellow of the Institute of Directors and Chartered Accountant (FCA), Fiona has 25 years' experience working in financial services in both London and the Channel Islands across the accounting and tax professions with experience in strategy, marketing, PR and the regulatory and listed company environments.

Until the end of July 2020, Fiona was Chief Executive Officer of The International Stock Exchange Group Limited where she was responsible for the commercial aspects of the listed exchange group's operation. Previously Fiona was Chief Executive of Guernsey Finance, the promotional body for Guernsey's finance industry internationally, and prior to this she was an auditor and latterly tax adviser at PwC (London and Channel Islands) and KPMG (Channel Islands) for over 13 years.

Fiona is a member of the AIC Channel Islands Committee and non-executive Chairman of a local Sea Scouts group.

Andreas Josef Tautscher – Chair of the Management Engagement Committee
Andreas Tautscher brings over 33 years' financial services experience. He serves as a non-executive director and member of the Audit Committee of MJ Hudson PLC which is an AIM traded Financial Services Group. He is also a non-executive director of Globalworth PLC which is an AIM listed Central European property Group. He is an independent director of Condor Ferries Limited. Andreas is a director and Chair of Arolla Partners, a leading independent director services business in the Channel Islands. From 1994 to 2018 Andreas held various roles at Deutsche Bank and was most recently CEO of the Channel Islands and Head of Financial Intermediaries for EMEA. He was previously a non-executive director of the Virgin Group. Andreas qualified as a Chartered Accountant in 1994.

Andreas is also Chair of the AR Committee of Doric Nimrod Air Two Limited, Chair of the Management Engagement Committee of Doric Nimrod Air Two Limited and Doric Nimrod Air Three Limited, and a director of Doric Nimrod Air Three Limited. He is resident in Guernsey.

SERVICE PROVIDERS

Management and the Delegation of Functions

The directors, whose details are set out on page 15, are responsible for reviewing the business affairs of the Company in accordance with the Articles and have overall responsibility for the Company's activities including all business decisions, review of performance and authorisation of distributions. The Company has delegated management of the Aircraft to Doric, which is a company incorporated in Germany. Further details are outlined below under the heading Asset Manager. The directors delegate secretarial and administrative functions to JTC which is a company incorporated in Guernsey and licensed by the GFSC for the provision of administration services. The registrar function is delegated to the Registrar, which is licensed and regulated by the GFSC.

Asset Manager

Doric has been appointed by the Company to provide asset management services to the Company. Pursuant to the Asset Management Agreement, Doric will: (i) monitor Emirates' and any subsequent lessees' performance of its obligations under the Lease and any subsequent leases respectively (which shall include the obligations relating to the maintenance of insurance cover); (ii) provide the Company with information regarding alternatives with respect to any potential sale or re-lease of the Asset; (iii) carry out mid-lease inspections of the Asset; (iv) provide the Company with asset monitoring reports describing the state and any material changes to the state of the Asset; and (v) liaise, as and when necessary, with lenders, on all matters relating to the loan, as required.

Doric has further undertaken that it will dedicate sufficient time and resources as it reasonably believes is required from time to time to fulfil any contractual arrangements it enters into with the Company.

The Doric Group is a member of ISTAT and is a leading provider of products and services for investors in the fields of aviation, shipping, renewable energy and real estate. The Doric Group has an international presence, with offices in Germany, Hong Kong, the United Kingdom, and the United States, and a multinational team which offers access to extensive relationship networks and expert asset knowledge maintaining regulated financial institutions in Europe. One of the firm's core competencies is its asset management expertise, which is an integrated part of all Doric transactions and a cornerstone of the business. For further information about the Doric Group, please visit www.doric.com.

The aircraft portfolio currently managed by the Doric Group is valued at $6 billion and consists of 33 aircraft and 5 engines under management. These aircraft include commercial airliners ranging from ATR 72-500s and the Airbus A320 family, through the Boeing 777, 787 and Airbus A330, up to the Airbus A380.

The Doric Group has 20 Airbus A380 aircraft currently under management and is therefore considered well positioned to perform the technical asset management of this aircraft type.

Corporate and Shareholder Adviser

Nimrod, which is authorised by the FCA has been appointed as the Corporate and Shareholder adviser by the Company.

Nimrod was founded in 2008 as an independent organisation which specialises in generating and sourcing interesting investment funds, themes and solutions managed by experts in their fields for the professional investor marketplace. It has launched nine listed investment companies since its formation and it also provides investment, marketing, distribution and advisory services to investment companies and their boards and managers.

Nimrod, together with Doric and Emirates, was awarded the "Innovative Deal of the Year 2010 award" by the international aviation magazine Airfinance Journal in recognition of the innovative financing of an Airbus A380 leased to Emirates by the Company, which was the first stock market listed aircraft investment vehicle.

SERVICE PROVIDERS (continued)

Secretary & Administrator

JTC is an independent provider of institutional and private client services to clients in numerous jurisdictions and is a member of the JTC Group. For further information about the JTC Group please visit www.jtcgroup.com.

JTC is a Guernsey incorporated company and provides administration and secretarial services to the Company pursuant to an Administration and Secretarial Agreement. In such capacity, JTC is responsible for the general secretarial functions required by the Law and assists the Company in its compliance with its continuing legal and regulatory obligations, as well as providing advice on good corporate governance and best practice for a publicly traded company.

JTC is also responsible for the Company’s general administrative functions and for the preparation of unaudited half-yearly and audited annual financial reports, subject to the direction and oversight of the Board.

Registrar

JTC Registrars is the Company’s CREST compliant registrar. The Registrar is responsible for the maintenance of the Company’s Share register and for the processing of dividend payments and stock transfers. The Registrar is licensed and regulated by the GFSC and further information about the Registrar may be obtained from their website at www.jtcgroup.com.

Review

The Board keeps under review the performance of the Asset Manager, Corporate and Shareholder Adviser, the Secretary, Administrator and the Registrar and the powers delegated to each service provider. In the opinion of the Board, the continuing appointments of the service providers on the terms agreed are in the best interests of Shareholders as a whole.

A full list of the Company’s service providers is set out on page 79.

MANAGEMENT REPORT

A description of important events which have occurred during the financial year under review, their impact on the performance of the Company as shown in the financial statements and a description of the principal risks and uncertainties facing the Company are given in the Chair's Statement, Asset Manager's Report, Statement of Principal Risks and the notes to the financial statements contained on pages 54 to 78 and are incorporated here by reference.

There were no material related party transactions which took place during the year, other than those disclosed at note 22 of the notes to the financial statements.

Principal Risks and Uncertainties
The Board has undertaken a robust assessment of the principal risks facing the Company and has undertaken a detailed review of the effectiveness of its risk management and internal control systems. The Board is comfortable that the risks are being appropriately monitored on a regular basis.

The risks set out below are those which are considered to be the material risks relating to an investment in the Shares but are not the only risks relating to the Shares or the Company. Additional risks and uncertainties of which the Company is presently unaware or that the Company 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 Company are:

- **Operational risk:** The Board is ultimately responsible for all operational facets of performance including cash management, asset management, regulatory and listing obligations. The Company 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 Company using well established, reputable and experienced service providers and assessing service providers' continued appointment on at least an annual basis.

- **Investment risk:** There are a number of risks associated with the Company's Asset in relation to the occurrence of technical faults with the Asset or actions by third parties causing both damage to the Asset 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 Lease.

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

- **Credit risk:** Emirates is the sole lessee of the Asset and is headquartered in the Middle East. The Company and Emirates have now reached agreement that at the lease end date, currently expected to be 16th December 2022, the Company will sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company are £25.3 million. Should Emirates default on either the rental payments or sales proceeds 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 capital return. The risk of default is potentially mitigated by the ability of the Company to sell or re-lease the Asset in the event of a single default. However, this could be impacted by market conditions at the time.

- **Regulatory risk:** The Company is required to comply with the DGTRs 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 Secretary also monitors compliance with regulatory requirements.

MANAGEMENT REPORT (continued)

Emerging Risks

The Board has developed and continues to maintain a risk matrix for the Company which is reviewed at each quarterly Board meeting. The Board continually monitors emerging risk areas relevant to the performance of the Company 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 Company’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 Company’s principal activities are set out within the Company Overview on page 5. The financial position of the Company is set out on page 55. In addition, note 19 to the financial statements includes the Company’s objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to credit risk and liquidity risk.

The Directors, in consultation with the Asset Manager, are monitoring the continuous effect of the Pandemic generally on the aviation industry and specifically on the financial wellbeing of its Lessee both now and in the future.

Given the prolonged impact of the Pandemic, increased lessee counterparty credit risk remains in existence. However, notwithstanding the challenging business environment, Emirates was able to substantially improve its profitability reducing its net loss by 81% to USD 1.1 billion. And the management of Emirates Group (combined businesses of Emirates Airline and dnata) expects to return to profitability in its FY 2022-23 financial year-end.

As announced on 15 July 2022, the Company and Emirates have now reached agreement that at the lease end date, currently expected to be 16th December 2022, the Company will sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company are £25.3 million. The Directors intend to distribute the sale proceeds to Shareholders, net of any liquidation and other costs and assuming successful completion and no further or unexpected costs or events, as soon as possible following the Lease End Date. It is currently anticipated that the process for liquidation of the Company will commence as soon as practicably possible thereafter, following payment of monies to Shareholders.

Until the Lease End Date, it is expected that the Company and the operating lease will continue as contracted.

Although the Company does not have a fixed life, the Articles previously required that the directors convene a general meeting of the Company (“Liquidation Proposal Meeting”) six months before the end of the term of the Lease where an ordinary resolution will be proposed that the Company proceeds to an orderly wind-up (the “Liquidation Proposal”) at the end of the term of the Lease (“Lease End”). In an extraordinary general meeting held on 10 May 2022 it was resolved that the timetable for the Liquidation Proposal Meeting be adjusted to allow for the meeting to be convened within four months after the date of the Lease End and for the Liquidation Proposal to be tabled at that meeting.

Since, subject to shareholder approval at the Liquidation Proposal Meeting, it is the Directors’ intention to proceed to an orderly wind up of the Company within 12 months of the Board’s approval of this Annual Financial Report, it is considered that the Company no longer meets the definition of a going concern (ie an entity which will continue its operations for the foreseeable future).

MANAGEMENT REPORT (continued)

For this reason the Directors have concluded that it is appropriate to prepare the financial statements on a basis other than going concern, after having considered the above.

Under a basis other than going concern, the residual value of the Asset is measured using agreed sales proceeds less sales related costs, and assets and liabilities are reclassified from non-current to current. Property, Plant and Equipment – Aircraft has been reclassified from non-current to current, due to the agreed sale of the Asset to Emirates at the expiration of the Lease agreement.

Nothwithstanding the determination that it is appropriate to prepare the financial statements on a basis other than going concern, the Directors consider that the Company remains solvent and is able to meet its liabilities as they fall due.

Viability Statement

In accordance with Provision 31 of the Code, the directors of the Company have considered the prospects of the Company over the period from present until the Lease is due to terminate in December 2022, as well as in the subsequent period between the termination of the Lease and the intended liquidation of the Company, a period of approximately six months. In choosing the period of viability for the Company the Board has considered the prospect of Emirates performing their obligations until the end of their Lease.

The Board, in assessing the viability of the Company, has paid particular attention to the principal risks faced by the Company as disclosed in the Management Report and the notes to the financial statements, reviewing on an ongoing basis the risks faced and ensuring that any mitigation measures in place are functioning correctly.

The directors, with the support of its Asset Manager, believe that it is reasonable to assume as of the date of approval of the Annual Financial Report that Emirates will continue to make the contracted lease rental payments and contracted payments at Lease End, including the payment of sales proceeds of £25.30 million related to the sale of the Asset, 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, 31 March 2022.

— Challenged by the continued effects of the Pandemic on its business, the lessee was able to quickly adapt its business model, generating additional revenue by expanding its global capacity and reinstating more passenger flights as Pandemic-induced restrictions started to ease: In its 31 March 2022 annual financial report, the airline increased its revenue by 91% to USD 16.1 billion. Net loss have also been reported to significantly reduced by 81% which translates to USD 1.1 billion compared to prior year reported net loss of USD 5.5 billion.

— Although Emirates concluded its last financial year with the second net loss in more than 30 years, the carrier showed a strong operating cash flow of USD 6.7 billion, which contributed to a 38% increase in cash assets of USD 5.7 billion, compared to the previous financial year.

— The ultimate shareholder of Emirates Airline has injected another USD 954 million into Emirates Airline, during their financial year-end.

— Emirates’ listed debt and CDSs are trading at non-distressed levels.

— As of the date of the Annual Financial Report, the Board is not aware of a formal request to the Company 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 Company in a timely manner.

— Lease end negotiations have now been concluded and Emirates have committed to purchase the asset at the lease end date

MANAGEMENT REPORT (continued)

The Company retains sufficient cash to cover both the forecast operating costs of the Company until the termination date of the Lease in December 2022 as well as other costs arising in the subsequent period between the termination of the Lease and the intended liquidation of the Company, assuming receipt of planned rental income and sales proceeds from the Asset.

The directors believe that their assessment of the viability of the Company over the period chosen was sufficiently robust and encompassed the risks which would threaten the business model, future performance, solvency or liquidity of the Company.

As a result of their review, the directors of the Company have a reasonable expectation that the Company will be able to continue in operation until the termination of the Lease and to meet its liabilities as they fall due both in the period leading up to the termination date of the Lease in December 2022, as well as in the subsequent period between the termination of the Lease and the intended liquidation of the Company.

Responsibility Statement

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

(a) the financial statements, prepared in accordance with IFRS give a true and fair view of the assets, liabilities, financial position and profits of the Company and performance of the Company;

(b) this Management Report includes or incorporates by reference a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and

(c) the annual report taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position, performance, business model and strategy.

Charles Wilkinson
Chair

Geoffrey Hall
Director

9 September 2022

DIRECTORS’ REPORT

The directors present their annual report and audited financial statements of the Company for the financial year ended 31 March 2022.

Principal Activities and Business Review

The principal activity of the Company is to acquire, lease and then sell a single aircraft. As announced on 15 July 2022, the Company and Emirates have now reached agreement that at the lease end date, currently expected to be 16 December 2022, the Company will sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company are £25.30 million. The Directors intend to distribute the sale proceeds to Shareholders, net of any liquidation and other costs and assuming successful completion and no further or unexpected costs or events, as soon as possible following the Lease End Date. It is currently anticipated that the process for liquidation of the Company will commence as soon as practicably possible thereafter, following payment of monies to Shareholders.

A description of the activities of the Company in the year under review is given in the Chair’s Statement and the Asset Manager’s Report respectively on pages 7 to 8 and 9 to 14.

Status

The Company is a Guernsey domiciled company the Shares of which are admitted to trading on the SFS. Its registered number is 52484. The Company operates in accordance with the Law.

Results and Dividends

The results of the Company for the financial year are set out on page 54.

The Company declared dividends during the financial year under review as follows:

Quarter End	Announcement Date	Payment Date	Dividend per Share (pence)
31 March 2021	15 April 2021	30 April 2021	2.25
30 June 2021	15 July 2021	31 July 2021	2.25
30 September 2021	14 October 2021	30 October 2021	2.25
31 December 2021	13 January 2022	29 January 2022	2.25

The Company declared the following dividends after the financial year end:

Announcement Date	Payment Date	Dividend per Share (pence)
12 April 2022	30 April 2022	2.25
14 July 2022	29 July 2022	2.25

The Company aims to continue to pay quarterly dividends of 2.25 pence per Share, in line with the Distribution Policy. There is no guarantee that any future dividends will be paid.

Directors

The directors in office are shown on page 15 and all directors remain in office as at the date of signing of these financial statements. Further details of the directors’ responsibilities are given on page 31.

No director has a contract of service with the Company, nor are any such contracts proposed.

DIRECTORS' REPORT (continued)

The following interests in Shares of the Company are held by persons discharging directorial responsibility and their persons closely associated:

	Number of Shares held as at 31 March 2022	Number of Shares held as at 30 July 2022
Charles Wilkinson	100,000	100,000
Geoffrey Hall	70,000	70,000
Fiona Le Poidevin	0	0
Andreas Tautscher	6,400	6,400

Other than the above shareholdings, none of the directors nor any persons connected with them had a material interest in any of the Company's transactions, arrangements or agreements during the year and none of the directors has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company, and which was effected by the Company during the reporting year.

As at the financial year end and as at the date of this report, there are no outstanding loans or guarantees between the Company and any director.

There were no material related party transactions which took place in the financial year under review, other than those disclosed in the Directors' Report and at note 22 to the financial statements.

Substantial Controllers of Voting Rights

The Company has identified the following substantial controlling interests in voting rights attached to the Company's issued share capital in accordance with Chapter 5 of the DGTRs. These are based on notifications made to the Company since inception and may differ substantially from positions recorded on the Company's share register.

There have been no material changes in the below list of substantial controlling interests between the end of the year under review and 19 August 2022, being the latest practicable date prior to the date of approval of this report.

Name	**% of Total Voting Rights**	**Number of Shares**
Wirral BC	12.72%	5,400,000
Weiss Asset Management LP	12.63%	5,360,000
East Riding of Yorkshire Council	10.60%	4,500,000
West Yorkshire PF	10.60%	4,500,000
Pelham Investment Partners	9.92%	4,210,000

Corporate Governance

Statement of Compliance with the Code, as published in July 2018

As a Guernsey incorporated company and under the DGTRs, the Company was not, for the year under review, required to comply with the Code. The Company has, however, voluntarily committed to comply with the Code or explain any departures. A copy of the Code is available for download from the FRC's website (www.frc.org.uk).

DIRECTORS’ REPORT (continued)

Having reviewed the Code, the Board considers that it has maintained procedures during the year to ensure that it has complied with the Code, other than the following exceptions:

(i) Provision 2: The board should assess and monitor culture.

Provision 5: The board should understand the views of the company’s other key stakeholders and describe in the annual report how their interests and the matters set out in section 172 of the Companies Act 2006 have been considered in board discussions and decision-making. The board should keep engagement mechanisms under review so that they remain effective.

For engagement with the workforce, one or a combination of the following methods should be used:

- a director appointed from the workforce;
- a formal workforce advisory panel;
- a designated non-executive director.

Provision 6: There should be a means for the workforce to raise concerns in confidence and – if they wish – anonymously.

Company Response: the Company does not have any employees and therefore does not assess and monitor culture (other than the culture of the Board) or engage with the workforce.

(ii) Provision 10: The board should identify in the annual report each non-executive director it considers to be independent. Circumstances which are likely to impair, or could appear to impair, a non-executive director’s independence include, but are not limited to, whether a director:

- has, or has had within the last three years, a material business relationship with the company, either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company;
- holds cross-directorships or has significant links with other directors through involvement in other companies or bodies;
- has served on the board for more than nine years from the date of their first appointment.

Where any of these or other relevant circumstances apply, and the board nonetheless considers that the non-executive director is independent, a clear explanation should be provided.

Provision 19: The chair should not remain in post beyond nine years from the date of their first appointment to the board. To facilitate effective succession planning and the development of a diverse board, this period can be extended for a limited time, particularly in those cases where the chair was an existing non-executive director on appointment. A clear explanation should be provided.

Company Response: The Board considers the directors to be independent. The directors of the Company are also directors of other DNA Companies and therefore the Board has implemented measures to manage any conflicts which might arise as a result of these appointments. The Chair and one director have been in situ since incorporation of the Company in October 2010 which exceeds the nine year provision. The Company’s sole Asset has a fixed lease term of 12 years and as such the Board considers that continuity is important in the final year of the Company’s life;

Provision 12: The board should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding board for the chair and serve as an intermediary for the other directors and shareholders. Led by the senior independent director, the non-executive directors should meet without the chair present at least annually to appraise the chair’s performance, and on other occasions as necessary.

DIRECTORS’ REPORT (continued)

Company Response: The previously appointed senior independent director retired during the Period. The Board have formed the view that it is not necessary to appoint an immediate replacement given the anticipated limited remaining life of the Company, however such appointment remains subject to the ongoing consideration of the Board.

(iii) Provision 9: The chair should be independent on appointment when assessed against the circumstances set out in Provision 10. The roles of chair and chief executive should not be exercised by the same individual.

Company Response: there is no chief executive. However, the Nomination Committee continue to consider appropriate and effective succession planning and board composition, mindful of the tenure of Board members and the remaining life of the Company.

(iv) Provision 20: Open advertising and/or an external search consultancy should generally be used for the appointment of the chair and non-executive directors. If an external search consultancy is engaged it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors.

Company Response: due to the specific nature of the Company, it has thus far used industry contacts to identify a list of suitable candidates and undertakes a rigorous interview process;

(v) Provision 13: Non-executive directors have a prime role in appointing and removing executive directors. Non-executive directors should scrutinise and hold to account the performance of management and individual executive directors against agreed performance objectives. The chair should hold meetings with the non-executive directors without the executive directors present.

Provision 32: The board should establish a remuneration committee of independent non-executive directors, with a minimum membership of three, or in the case of smaller companies [*i.e. not in the FTSE 350*], two.

Provision 33: The remuneration committee should have delegated responsibility for determining the policy for executive director remuneration and setting remuneration for the chair, executive directors and senior management.

Provision 35: Where a remuneration consultant is appointed, this should be the responsibility of the remuneration committee.

Provision 41: There should be a description of the work of the remuneration committee in the annual report.

Company Response: The Company has no executive directors, senior management or employees. It does not have a remuneration committee given the small size of the exclusively non-executive and independent board. Remuneration provision is set out in this Directors’ Report.

Board Evaluation

The Board is committed to ensuring that on an annual basis the strengths of the Board are recognised and any weaknesses are addressed. Each director has undertaken to engage with the evaluation process and take appropriate action when development needs have been identified. An external facilitation of the performance evaluation is considered by the Chair of the Nomination Committee on an annual basis.

For the financial year under review, the Nomination Committee agreed that an external facilitation of the performance evaluation required by provision 21 of the Code was not required and instead the evaluation was performed by the Nomination Committee.

Directors were asked to complete individual questionnaires on the performance of the Board and its committees on an anonymous basis and the completed questionnaires were considered at a meeting of the Nomination Committee. At the conclusion of its evaluation, the Nomination Committee made minor suggestions for improvements and also concluded that the Board generally operated well given its compact size.

DIRECTORS' REPORT (continued)

Board Responsibilities

The Board comprises four directors and their biographies appear on page 15 demonstrating the wide range of skills and experience they each bring to the Board. All the directors are non-executive and independent, with Charles Wilkinson acting as Chair.

The Nomination Committee regularly reviews the balance, knowledge and effectiveness of the Board, to identify if any additional experience or skills are needed and to ensure that the current directors have sufficient available time to undertake the tasks required and remain independent. The directors are able and encouraged to provide statements to the Board of their concerns and ensure that any items of concern are recorded in the Board minutes. When undertaking a search for a new director the Board would be mindful of diversity and meritocracy.

The other significant commitments of the current Chair are detailed in his biography on page 15. The Board was satisfied during the year and remains satisfied that the Chair's other commitments do not interfere with the day-to-day performance of his duties to the Company and that he has the commitment and time to make himself available at short notice should the need arise.

In accordance with the Articles the directors shall determine the directors' fees payable provided that the aggregate amount of such fees paid in respect of services rendered to the Company shall not exceed £150,000 per annum. All directors receive an annual fee and there are no share options or other performance related benefits available to them. All directors are paid a fee of £15,000 per annum and the Chair is paid an additional fee of £5,000 per annum. The Chair of the AR Committee is paid an additional £3,000 per annum. The terms and conditions of appointment of non-executive directors are available for inspection at the Company's registered office by prior arrangement with the Secretary.

The Board usually meets in Guernsey at least four times per year to consider the business and affairs of the Company, at which meetings the directors review the Company's assets and all other important issues to ensure control is maintained. The directors hold a Dividend Committee meeting each quarter in Guernsey to consider and, if thought suitable, approve the payment of a dividend in accordance with the Company's distribution policy.

Between these regular meetings the Board keeps in contact by email and telephone as well as meeting to consider specific matters of a transactional nature. Additionally the directors may hold strategy meetings with its relevant advisors in attendance as appropriate.

The directors are kept fully informed by the Asset Manager and Secretary of all matters that are relevant to the business of the Company and should be brought to the attention of the directors and/or the Shareholders. All directors have direct access to the Secretary who is responsible for ensuring that Board procedures are followed and that there are effective information flows both within the Board and between the committees and the Board.

The directors also have access to the advice and services of the Asset Manager and the Corporate and Shareholder Adviser and may also, in the furtherance of their duties, take independent professional advice at the Company's expense.

During the year the number of full Board meetings and committee meetings attended by the directors was as follows:

Director	Board Meetings	Audit and Risk Committee Meetings	Nomination Committee Meetings	Management Engagement Committee meetings	Dividend Committee Meetings***
Charles Wilkinson	5 of 5	N/A	3 of 3	1 of 1	3 of 4
Geoffrey Hall	5 of 5	6 of 6	3 of 3	1 of 1	4 of 4
Fiona Le Poidevin	N/A	N/A	1 of 1	N/A	1 of 1
Andreas Tautscher	5 of 5	6 of 6	3 of 3	1 of 1	3 of 4

*** refer to page 27 for the composition and function of the Dividend Committee.

DIRECTORS' REPORT (continued)

Audit and Risk Committee
Mr Hall, Mr Tautscher and Ms Le Poidevin are all members of the AR Committee, with Mr Hall acting as Chair. The AR Committee has regard to the Guidance on AR Committee's published by the FRC in September 2012 and as updated in April 2016. The AR Committee examines the effectiveness of the Company's and its service providers' internal control systems as appropriate, the annual and half-yearly reports and financial statements, the auditor's remuneration and engagement, as well as the auditor's independence and any non-audit services provided by them.

The FRC published updated Ethical and Auditing Standards in December 2019, which further restrict the provision of non-audit services by audit firms to their clients. The previous list of prohibited non-audit services list has been replaced with a short list of permitted services. Auditors of PIEs can now only provide non-audit services which are closely linked to the audit itself or are required by law or regulation. Also, whereas PIEs were previously limited to those entities incorporated in the EU, the FRC now defines PIEs as all issuers whose transferable securities have been admitted to trading on a UK regulated market, which includes the LSE but not AIM. The Crown Dependency rules were also changed so that Market Traded Companies incorporated in the Crown Dependencies are also included in this requirement.

The AR Committee considers the nature, scope and results of the auditor's work and reviews it annually prior to providing a recommendation to the Board on the re-appointment or removal of the auditor. When evaluating the external auditor the AR Committee has regard to a variety of criteria including industry experience, independence, reasonableness of audit plan, ability to deliver constructive criticism, effectiveness of communication with Board and the Company's service providers, quality control procedures, effectiveness of audit process and added value beyond assurance in audit opinion.

Auditor independence is maintained through limiting non-audit services to specific audit-related work that falls within defined categories. All engagements with the auditor are subject to pre-approval from the AR Committee and fully disclosed within the annual financial report for the relevant period. A new lead audit partner is appointed every five years and the AR Committee ensures the auditor has appropriate internal mechanisms in place to ensure its independence.

The AR Committee usually meets in Guernsey at least twice per year, shortly before the Board meets to consider the Company's half-yearly and annual financial reports, and reports to the Board with its deliberations and recommendations and also holds annual planning and final meetings with the auditor. In addition the Board also meets during the audit process with the auditors to discuss issues relating to the residual values of the Asset. The AR Committee operates within clearly defined terms of reference based on the The Chartered Governance Institute UK & Ireland recommended terms and provides a forum through which the Company's external auditor reports to the Board. The AR Committee can request information from the Company's service providers with the majority of information being directly sourced from the Asset Manager, the Secretary and Administrator and the external auditor. The terms of reference of the AR Committee are available on the Company's website and on request from the Secretary.

Each year the Board examines the AR Committee's performance and effectiveness, and ensures that its tasks and processes remain appropriate. Key areas covered included the clarity of the AR Committee's role and responsibilities, the balance of skills among its members and the effectiveness of reporting its work to the Board. The Board is satisfied that all members of the AR Committee have relevant financial experience and knowledge and ensure that such knowledge remains up to date. Overall, the Board considers that the AR Committee has the right composition in terms of expertise and has effectively undertaken its activities and reported them to the Board during the year under review.

During the financial year the AR Committee met six times. The AR Committee considered the annual financial report for the year ended 31 March 2021 and the half-yearly financial report for the period ended 30 September 2021. They met in March 2022, with the external auditor in attendance, to approve the 2022 audit plan. The AR Committee also undertook a review of the Company's auditor during the year.

Dividend Committee
The Dividend Committee consists of any one or more director, who has been given full power and authority to consider and, if thought suitable, declare and approve the payment of a dividend in accordance with the Company's distribution policy, provided

DIRECTORS' REPORT (continued)

all directors had been provided with prior notice of the proposal to declare each dividend and no director had raised any objection to the declaration of each dividend.

Nomination Committee

The Nomination Committee consists of all directors of the Company, with Mr Wilkinson acting as Chair of the committee, except when the Nomination Committee considers any matter in relation to the chairmanship of the Company, in which case an alternative chair would be appointed.

The functions of the Nomination Committee include to regularly review the structure, size and composition (including the skills, knowledge, experience, diversity and how effectively members work together to achieve objectives) of the Board and make recommendations to the Board with regard to any changes, and to perform a formal and rigorous performance evaluation of the Board, its committees, the chair and individual directors, including the consideration of having a regular externally facilitated Board evaluation. Full description of the Board evaluation is included on page 25, above.

During the financial year the Nomination Committee met three times, to consider the appointment of a SID and to undertake the annual performance evaluation of the Board and its committees.

The Nomination Committee is responsible for identifying and nominating for the approval of the Board candidates to fill Board vacancies as and when they arise. Prior to any appointment made by the Board the Nomination Committee will evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Nomination Committee shall:

- generally use open advertising or the services of external advisers to facilitate the search, unless there is a valid reason for not doing so in which case justification for this decision would be disclosed;

- consider candidates from a wide range of backgrounds; and

- consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.

The Nomination Committee prepares a job specification for the appointment of a director, including the time commitment expected. A proposed director's other significant commitments should be disclosed to the Board before their appointment and any significant changes to the director's commitments should be reported to the Board as they arise.

Prior to the appointment of a director, the Nomination Committee requires any proposed appointee to disclose any other business interests that may result in a conflict of interest.

The Nomination Committee ensures that, on appointment to the Board, a new non-executive director receives a formal letter of appointment, setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.

The Nomination Committee met during the period to discuss the appointment of a new non-executive director; subject to the above approach to board appointments, Fiona Le Poidevin was appointed to the Board on 1 March 2022.

Succession planning is performed based on the results of the Nomination Committee's evaluation of the structure, size and composition of the Board as well as the results of the Board evaluation. In giving full consideration to succession planning for directors, the Nomination Committee takes into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in the future. The Nomination Committee keeps under review the leadership needs of the Company with a view to ensuring the continued ability of the Company to operate effectively in the marketplace. The Board has

DIRECTORS' REPORT (continued)

a succession plan in place which commenced with the appointment of Andreas Tautscher in August 2019 and continued with the appointment of Fiona Le Poidevin in March 2022. Both directors bring a diverse set of skills and knowledge to the Board from their prior experience and Mrs Le Poidevin's appointment demonstrates the Board's commitment to gender diversity. A Board Evaluation was carried out during the year.

Management Engagement Committee

The Management Engagement Committee was established on 15 October 2020 and consists of all directors of the Company, with Andreas Tautscher acting as Chair. The Management Engagement Committee meets at least once a year and the principal duties of the Management Engagement Committee are to review the terms of the agreements between the Company and its key service providers to ensure that they are competitive, fair and reasonable for Shareholders, to review and make recommendations on any proposed amendment or material breach of those agreements and to monitor and evaluate the performance of the key service providers including the on-going suitability of the key service providers to provide advice to the Company.

During the financial year the Management Engagement Committee met once, to perform a review of the Company's service providers.

Internal Control and Financial Reporting

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board confirms that there is an on-going process for identifying, evaluating and monitoring the significant risks faced by the Company.

The internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

The Board reviews its risk matrix on a quarterly basis, which covers various areas of risk including corporate strategy, accuracy of published information, compliance with laws and regulations, relationships with service providers and business activities.

Asset management services are provided to the Company by Doric. Corporate and Shareholder advisory services are provided to the Company by Nimrod. Administration and secretarial duties for the Company are performed by JTC.

The Board clearly defines the duties and responsibilities of their agents and advisors. The appointment of agents and advisers is conducted by the Board after consideration of the quality of the parties involved and the Board monitors their on-going performance and contractual arrangements. The Board also specifies which matters are reserved for a decision by the Board and which matters may be delegated to its agents and advisers.

Management of Conflicts of Interest

The Company has adopted a formal conflict of interest policy and is committed to ensuring that all directors and service providers facilitate the Company conducting its business in a manner that is consistent with its reputation, conducive to maintaining high standard of integrity in all its business dealings, in the best interests of the Company's Shareholders.

The Board considers the directors' conflicts of interest at each Board meeting by reviewing a schedule of each director's other directorships and other interests held. Each director is required to notify the Secretary of any potential, or actual, conflict situations that would need to be considered by the Board.

No director has a service contract with the Company, although directors are issued with letters of appointment nor did any director have any interest in contracts with the Company during the financial year under review, or subsequently.

DIRECTORS' REPORT (continued)

Anti Bribery Policy

The directors have undertaken to operate the business in an honest and ethical manner and accordingly take a zero-tolerance approach to bribery and corruption. The key components of this approach are implemented as follows:

- The Board is committed to acting professionally, fairly and with integrity in all its business dealing and relationships.
- The Company has implemented and enforces effective procedures to counter bribery.
- The Company requires all its service providers and advisors to adopt equivalent or similar principles.

Dialogue with Shareholders

All holders of Shares in the Company have the right to receive notice of, and attend, the general meetings of the Company, during which members of the Board will be available to discuss issues affecting the Company.

The primary responsibility for Shareholder relations lies with the Company's Corporate and Shareholder Adviser. The Corporate and Shareholder Adviser regularly meets with Shareholders to discuss the Company and seek feedback. The views of Shareholders are discussed by the Board at every Board meeting, and action would be taken to address any shareholder concerns. The Company provides regular updates to Shareholders through the annual and half-yearly financial reports and quarterly factsheets.

In addition, the directors are available to enter into dialogue with Shareholders and the Chair is willing to meet Shareholders as the Company believes such communication to be important. The Company's directors can be contacted at the Company's registered office or via the Secretary.

Stakeholders and Section 172

The Code requires that the Company should understand the views of the Company's key stakeholders and describe in the annual report how their interests and the matters set out in section 172 of the UK's Companies Act 2006 have been considered in Board discussions and decision-making. Section 172 is not strictly applicable as this is a Guernsey company. However, its application is being considered as part of the Code.

The Company has no employees and all of the directors are non-executive, so the Board considers that its key stakeholders are its Shareholders, its lesee, its service providers, society, the government and regulators.

As the Company's sole lessee the Board recognises Emirates as an important stakeholder and maintains a regular dialogue with Emirates through the Asset Manager. The activities of Emirates are more fully considered within the Asset Manager's Report.

The Board's engagement with Shareholders is described in the "Dialogue with Shareholders" section above. All Shareholders are treated equally and no Shareholder receives preferential treatment. When making decisions of relevance to Shareholders, the Board considers first and foremost the likely consequences of their decisions in light of their duty to act in the best interests of the Company. The Board also considers what is likely to be in the best interests of Shareholders as a whole, but does not consider individual Shareholders' specific circumstances or desires when making its decisions.

In addition to the regular reporting provided by key service providers, the Management Engagement Committee undertakes a review of the performance of these key service providers on an annual basis. The services provided by the key third party service providers are critical to the ongoing operational performance of the Company. The Board believes that fostering constructive and collaborative relationships with the Company's service providers will assist in their promotion of the success of the Company for the benefit of all Shareholders.

As described in detail in the Company's viability statement, the Board considers the prospects of the Company over the period from present until the Lease is due to terminate in December 2022 and the subsequent period between the termination of the Lease and the intended liquidation of the Company, a period of approximately six months. All strategic decisions are therefore taken with the success of the Company in mind and the Board would take external advice whenever it considered that such would

DIRECTORS' REPORT (continued)

be beneficial to its decision making process, primarily from its retained service providers (including legal counsel), but also from other external consultants.

The Board recognises that responsible investment and the associated ESG considerations can have a significant impact on investment activity in terms of raising funds, identifying investment opportunities and long-term value creation for Shareholders. Please see more information regarding ESG in the report on pages 33 to 36.

The Board ascribes to the highest standards of business conduct and has policies in place to ensure compliance with all applicable laws and regulations. In addition to the monitoring of the Company's compliance with its own obligations, the Board also monitors compliance by its service providers with their own obligations. The Board encourages openness and transparency and promotes proactive compliance with new regulation.

Statement of Directors' Responsibilities
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable Guernsey law and regulations. Under the Law the directors are required to prepare financial statements for each financial year. The directors have chosen to prepare the Company's financial statements in accordance with IFRS.

Under the Law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Law. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of Information to the Auditor
The directors who held office at the date of approval of this Directors' Report confirm in accordance with the provisions of Section 249 of the Law that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DIRECTORS' REPORT (continued)

Auditor

During the period the AR Committee undertook an audit tender process as an exercise of good corporate governance procedures, on the basis that Deloitte have been in situ as Auditors of the Company for 9 years. As a result, Deloitte retired and Grant Thornton Limited was appointed as external auditor by the Board, both effective 2 August 2021. Grant Thornton Limited's appointment will be submitted at the Company's forthcoming annual general meeting to be held pursuant to section 199 of the Law.

Charles Wilkinson	**Geoffrey Hall**
Chair	**Director**

Signed on behalf of the Board
on 9 September 2022

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Board recognises that responsible investment and the associated ESG considerations can have a significant impact on investment activity in terms of raising funds, identifying investment opportunities and long-term value creation for Shareholders. This report sets out our policy and approach to ensuring that the level of engagement on ESG matters is commensurate to the size, nature and complexity of the business.

This policy seeks to address ESG matters on two levels; firstly, with regard to the Company itself and secondly, in relation to the Asset which the Company owns. The direct and practical management of the Company seeks to uphold ESG standards where possible and applicable. This is greatly influenced by the nature of the Company's activities and the legal structure of the associated Lease.

The Company

The Company is a self-managed Guernsey company incorporated on 8 October 2010. Its Shares were admitted to trading on the SFS on 13 December 2010.

The Company is under the control of its Board on behalf of Shareholders. All directors are independent and non-executive. The Board are responsible for reviewing the business affairs of the Company in accordance with the Articles and have overall responsibility for the Company's activities including all business decisions, review of performance and authorisation of distributions.

The Company has delegated the following activities to its appointed service providers:

- Asset Management – Doric
- Corporate and Shareholder Adviser – Nimrod
- Secretary and Administrator – JTC
- Registrar – JTC Registrars Limited

The Company has no executive directors or employees and no physical office premises. The Company's business is carried out in a series of meetings held in the offices of its administrator JTC, in Guernsey, the Company's place of incorporation.

Subject to any travel restrictions imposed, the directors are required to travel in the fulfilment of their duties. Where circumstances allow, travel is kept to a minimum. The directors are required to travel to Guernsey on at least a quarterly basis for board and other committee meetings, and to the UK to visit Shareholders and service providers as and when required. Regular dialogue with the Asset's lessee is maintained via the Asset Manager.

The Company consequently has a limited physical footprint and therefore its environmental impact is considered to be low.

The Modern Slavery Act

Due to the nature of the Company's business, being a company that does not offer goods or services to customers, the Board considers there are no relevant disclosures with regard to modern slavery in relation to the Company's own operations. The Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in this regard.

The Asset

The principal activity of the Company is to acquire, lease and then sell a single aircraft. The Company owns one Airbus A380-861 aircraft which is leased for twelve years to the lessee, the national carrier owned by The Investment Corporation of Dubai based in Dubai, UAE.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

The Company's own operational influence in the fields of climate change, air quality, and resource efficiency is minimal. The nature of the Lease with the lessee means that control over the usage of the Asset rests with the lessee. The Company has leased the Asset for a term of 12 years, with fixed lease rentals for the duration, to the lessee. The lessee bears all costs (including for maintenance, repairs and insurance) relating to the Aircraft during the lifetime of the Lease. This would include any modifications or modernisations related to ESG requirements as mandated by regulatory agencies. However, in all other respects, the influence of the Company over the lessee with regard to voluntary ESG concerns is limited due to existing quiet enjoyment arrangements between the Company and the lessee.

The Airbus A380 is the world's largest commercial passenger aircraft. It is the first and only aircraft with two full-length passenger decks, giving it a maximum capacity of up to 853 passengers. In a typical three-class configuration (First, Business and Economy Class), the Airbus A380 has capacity for approximately 525 passengers. Additionally, developments with respect to the aircraft's aerodynamics, control elements and flight systems, coupled with the use of advanced, lightweight composite materials make the A380 an attractive and efficient aircraft. In comparison with other modern long-range passenger aircraft of the same category (the so-called Very Large Aircraft segment), the Airbus A380 consumes less fuel per passenger, using approx. three litres of kerosene per 100 passenger kilometers, when equipped with Engine Alliance engines. Furthermore, the A380 offers an efficient way to capture traffic at the most concentrated airports and times by giving airlines the ability to consolidate routes, thereby increasing seat capacity while creating economies of scale.

The most critical environmental issue related to aircraft operations is GHG emissions generated from fossil energy consumption. Air transportation is one of the most energy and carbon dioxide intensive modes of transport, whether measured per passenger kilometer or per hour in transit. According to Oxford University, the global aviation industry (including domestic and international; passenger and freight) accounts for:

- 1.9% of GHG emissions (e.g. all greenhouse gases, not only CO2);
- 2.5% of carbon emissions; and
- 3.5% of 'effective radiative forcing' – a measure of impact on global warming.

The first figure refers to 2016, while the latter two refer to 2018, each being the latest year for which such data are available.

The Aviation Industry

Despite aviation's important role in local and global economic development, the aviation industry faces the challenge of meeting long term strong growth in passenger demand while simultaneously reducing its environmental impacts. In addition to GHG emissions, these environmental impacts could also include noise and nuisance, as well as water pollution (due to aircraft de-icing, cleaning, and other chemical-heavy aircraft operations).

To address these growing environmental concerns, the cross-industry ATAG developed the 'Wayward 2025' action plan in line with the Paris Agreement on climate change. The blueprint builds on IATA's 2009 commitment to (1) increase fuel efficiency by 1.5% every year between 2010-20, (2) to cap carbon emissions (carbon neutral growth) from 2020, and (3) to achieve the 50% emissions reduction by the middle of the century, as the first two goals have already been accomplished. Annual fuel efficiency gains have exceeded expectations with annual improvements greater than 2%. The mechanism for ensuring carbon neutral growth, known as CORSIA, started as a pilot scheme in 2021 with approx. 100 countries participating and the remaining scheduled to join by 2027.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

In pursuit of the final goal, Wayward 2050 has identified three key technological developments to accelerate the reduction of carbon emissions:

1. Improved aircraft and engine designs for lighter, more efficient aircraft;
2. Hydrogen and electric powered aircraft; and
3. SAF.

The analysis performed for Wayward 2050 revealed that SAF will play a key role, driving between 50% and 75% of the emissions' reductions. SAFs, such as drop-in power fuels like biofuels that can be used in today's aircraft and engines without modification, are already commercially available and are expected to increase in prominence once initial costs can be reduced through scale. Evolutionary concepts, such as the second-generation geared turbo fan engine, could become widely commercially available in the medium-term. Revolutionary concepts such as hydrogen and electric powered aircraft, represent the greatest potential improvements, but will most likely not be commercially available until the 2050s, based on current forecasts.

As these technological developments progress, the aviation industry is taking additional measures to curb its environmental impact, while maintaining its commitment to local and global economic development. For example, alongside CORSIA, the aviation industry is able to participate in other carbon dioxide emissions trading markets, such as the EU ETS.

Furthermore, a number of countries currently levy passenger taxes on air tickets over and above infrastructure charges and there are a number of proposals for additional environmental taxes to be imposed on the aviation industry. However, as IATA notes, the income generated from an environmental tax is usually seen as general revenue by governments, thus it can be used to fund any variety of public sector programs and initiatives. As such, IATA takes the position that, while the overall goal of an environmental tax is laudable, it has distortionary effects on jobs and the economy, while at the same time not effectively incentivising the development or use of newer and greener technology. The effects of any newly introduced environmental taxes on the aviation industry will have to be monitored. The aviation industry plays a critical role in local and global economic development, contributing 4.1% to global gross GDP and supporting 87.7 million jobs worldwide.

The Wayward 2050 plan can be found here: https://aviationbenefits.org/media/167187/w2050_full.pdf

Further environmental information can be found on the IATA website: https://www.iata.org/en/policy/environment/.

ICAO have used the United Nations' SDGs as a basis to identify the contributions the aviation industry is making to sustainable development. For further information and the full working paper on aviation's contributions towards the United Nations' 2030 agenda for sustainable development from ICAO's 40th session please refer to the ICAO website:
https://www.icao.int/Meetings/A40/Documents/WP/wp_189_en.pdf.

Concerning the role of aircraft in sustainable development, aircraft assets are likely to contribute to at least five of the SDG. Specifically, airlines are able to utilize aircraft in a manner consistent with the achievement of the following targets:

1. **SDG 5:** Aviation is working to achieve gender balance across the sector. In Europe, aviation is the most gender-balanced of all transport modes with 41 percent female employees. More work is still needed to encourage balance in technical and executive roles;

2. **SDG 8.1:** Devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products;

3. **SDG 9.1:** Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all;

4. **SDG 12.2:** Achieve sustainable management and efficient use of natural resources productions; and

5. **SDG 13:** Invest in the transition to net-zero carbon dioxide energy, energy efficiency and the reduction of GHG emissions from transport operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Detailed information on the SDGs can be found on the United Nations website: https://sustainabledevelopment.un.org/.

Emirates, the lessee, is committed to efforts to reduce resource consumption while also investing in wildlife conservation and protection. This includes participation in CORSIA as well as internal initiatives.

For further information on Emirates' environmental policy and initiatives, please visit the Emirates website where annual environmental reports are also available: https://www.emirates.com/english/about-us/our-planet/

In the context of the Asset and the associated Lease, the Board is committed to responsible decision making throughout the lifecycle of the Company. The Board is in continuous dialogue with its service providers and regularly reviews processes to guarantee transparency and accountability. The Board will continue to monitor the sustainability efforts of the industry and the lessee and keep Shareholders abreast of developments.

AUDIT AND RISK COMMITTEE REPORT

Membership
Geoffrey Hall – Chair of the AR Committee
Andreas Tautscher – Non-executive Director
Fiona Le Poidevin – Non-executive Director

Key Objective
The provision of effective governance over (i) the appropriateness of the Company's financial reporting including the adequacy of related disclosures, (ii) the performance of the Company's external auditor, (iii) monitoring of the systems of internal controls operated by the Company and (iv) the Company's principal service providers and the management of the Company's regulatory compliance activities.

Responsibilities
The key duties of the AR Committee are as follows:

- reviewing the Company's financial results announcements and financial statements and monitoring compliance with relevant statutory and listing requirements;
- reporting to the Board on the appropriateness of the Company's accounting policies and practices including critical accounting policies and practices;
- advising the Board on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy;
- overseeing the relationship with the external auditor and reviewing the effectiveness of the external audit process; and
- monitoring the systems of internal controls operated by the Company and by the Company's principal service providers.

AR Committee Meetings
The AR Committee usually meets in Guernsey at least twice a year. The AR Committee reports to the Board as part of a separate agenda item, on its activities and on matters of particular relevance to the Board in the conduct of its work. During the financial year under review the AR Committee formally reported to the Board on three occasions.

Main Activities of the AR Committee during the Financial Year
The AR Committee assisted the Board in carrying out its responsibilities in relation to financial reporting requirements, compliance and the assessment of internal controls. The AR Committee also managed the Company's relationship with the external auditor and undertook an audit tender process.

Fair, Balanced and Understandable
In order to comply with the Code, the Board has requested that the AR Committee advises them on whether it believes the annual financial report, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

The AR Committee engaged with the Company's auditor and Administrator in order to ensure that the financial statements were fair, balanced and understandable.

AUDIT AND RISK COMMITTEE REPORT (continued)

Financial Reporting and Significant Issues

The AR Committee’s primary role in relation to financial reporting is to review, with its service providers and the external auditor, the appropriateness of the half-year and annual financial statements, the significant financial reporting issues and accounting policies and disclosures in the financial statements. The AR Committee has considered the key risks identified as being significant to these accounts and the most appropriate treatment and disclosure of any new significant issues identified during the audit and half-year reviews as well as any recommendations or observations made by the previous external auditor, Deloitte. To aid its review the AR Committee considered reports prepared by external service providers, including Doric and Nimrod, and reports from Deloitte on the outcome of their previous annual audit. The significant issues considered by the AR Committee in relation to the 2022 accounts and how these were addressed are detailed below:

Significant issues for the year under review	How the AR Committee addressed these significant issues
Residual value of aircraft asset	
The non-current asset of the Company comprises a single Airbus A380 aircraft. An annual review is required of the residual value of the Asset as per IAS 16, which defines residual value as *“the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.”*	The Company and Emirates have now reached agreement that at the lease end date, currently expected to be 16th December 2022, the Company will sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company are £25.3 million. This proceeds value has been used to determine the residual value and to calculate the carrying value of the Asset within the Statement of Financial Position
Recording foreign exchange gains/losses	
IFRS require that certain transactions denominated in currencies other than the presentation currency (including, most importantly, the cost of the Asset) be translated into presentation currency at the exchange rate ruling transaction date whilst monetary balances (principally the outstanding borrowings) are translated at the rate prevailing on the reporting date. The resultant figures sometimes show very large mismatches which are reported as unrealised foreign exchange differences.	In assessing foreign exchange, the AR Committee has considered the issue at length and are of the opinion that, on an on-going basis and assuming the lease and loan payments are made as anticipated, such exchange differences do not reflect the commercial substance of the situation in the sense that the key transactions denominated in US dollars are in fact closely matched. Rental income received in US dollars is used to pay loan repayments due which are likewise denominated in US dollars. US dollar lease rentals and loan repayments are fixed at the outset of the Company’s life and are very similar in amount and timing. The AR Committee concluded that the matching of the lease rentals to settle loan repayments therefore mitigates risks of foreign exchange fluctuations.
During the year under review the Company recorded a significant foreign exchange rate loss due to the appreciation of Sterling against US dollars and the consequent decrease in the Sterling value of the US dollar denominated debt.	The AR Committee has carefully considered the disclosure in note 19(b) to the financial statements to ensure that the reality of the Company’s foreign exchange risk exposure is properly explained.

AUDIT AND RISK COMMITTEE REPORT (continued)

Significant issues for the year under review	How the AR Committee addressed these significant issues
Going concern risk	
Emirates is the sole lessee of the Asset. The Company and Emirates have now reached agreement that at the lease end date, currently expected to be 16th December 2022, the Company will sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company are £25.3 million. Should Emirates default on either the rental payments or sales proceeds 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 capital return.	The AR Committee received quarterly reports from Doric during the year which comment on the performance of Emirates. In the financial year ending 31 March 2022, Emirates recorded a net loss of AED 3.9 billion (USD 1.1 billion), the second in more than 30 years. This is a significant improvement of the airline’s profitability, after the previous year’s net loss amounted to AED 20.3 billion (USD 5.5 billion). In the second half of the 2021/22 financial year Emirates even generated a net profit of AED 1.9 billion (USD 0.5 billion), which helped to significantly improve profitability in the 2021/22 financial year. Pandemic-induced travel restrictions and safety measures in many regions around the globe were partially retracted and allowed passenger air travel to recover from its Pandemic lows. Thanks to an expansion of its global capacity and reinstatement of more passenger flights, the lessee was able to increase its revenue by 91% to AED 59.2 billion (USD 16.1 billion). The recovery in Emirates’ operations during the 2021/22 financial year led to an improved EBITDA of AED 17.7 billion (USD 4.8 billion) compared to AED 4.6 billion (USD 1.3 billion) from last year. Demand for air freight also remained strong. The airline repaid AED 4.5 billion (USD 1.2 billion) in debt out of the total of AED 17.5 billion (USD 4.8 billion) raised since the beginning of the Pandemic. The carrier’s cash position, including short-term bank deposits, amounted to AED 20.9 billion (USD 5.7 billion) at the end of March 2022. In comparison, the carrier had AED 15.1 billion (USD 4.1 billion) in cash assets and short-term bank deposits at the end of the 2020/21 financial year. The cash flow from operating activities came in at AED 24.4 billion (USD 6.7 billion) in 2021/22, the highest in the company’s history. The management of the airline came to the conclusion that the company is a going concern. The auditors PwC did not raise a material uncertainty on going concern in its unqualified audit report, which is dated 9 May 2022.

AUDIT AND RISK COMMITTEE REPORT (continued)

Significant issues for the year under review	How the AR Committee addressed these significant issues
	During the 2021/22 financial year, the carriers' ultimate shareholder, the government of Dubai, continued to support the airline and therefore injected equity of AED 3.5 billion (USD 0.95 billion). Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive Emirates Airline and Group, the combined business of Emirates Airline and ground handler dnata, stated in the latest annual report that "our business recovery picked up pace in 2021-22 as pandemic-related restrictions lifted around the world, particularly in the second half of our financial year", and added "As a group we invested over AED 7.9 billion [USD 2.2 billion] in new aircraft, engines, equipment, facilities and technologies ... As travel restrictions around the world eased, we reinstated services, added flights to dozens of cities, and ramped up our A380 deployment to efficiently serve pent-up customer demand". For the first half of Emirates' 2022/23 financial year, President Tim Clark is encouraged by the demand: "Demand is strong and sustained, we are looking at our booking from July to September and Christmas, they are soaring above 2019 levels, even at the prices we are now having to charge due to the fuel price. The question is how long this is going to last before the global economy starts to tip with interest rates going up and inflation rising and fuel prices at these ridiculous levels. The Asset Manager is not aware of a formal request addressed to the Group for a lease deferral or any other efforts that would result in the restructuring of the existing transactions and could potentially have an impact on the committed future lease rental receipts. Emirates is owned by the Investment Corporation of Dubai, a state-owned holding company that can be characterized as a sovereign wealth fund owned by the Government of Dubai. It is neither listed nor carry its bond issuances an issuer rating. However, Emirates' senior unsecured USD bonds with maturities in 2023, 2025 and 2028 are trading and the markets' pricing for such instruments provide proxies for the credit risk of the Lessee. As the operating lease agreements between Emirates and the Group include a hell or highwater clause, the lease rental stream and any other contractual payment primarily depends to Emirates' ability to meet its financial obligations whenever they fall due As at the end of June 2022, Emirates has outstanding US dollar debt issuances with maturities in 2023, 2025, and 2028.

AUDIT AND RISK COMMITTEE REPORT (continued)

Significant issues for the year under review	How the AR Committee addressed these significant issues
	These bonds were all trading close to par and with running yields ranging from approximately 3.9% to 4.6% in US dollars. There has also been no upward pressure on yields. This level of yields does not appear to indicate any significant financial stress to the issuer. The management of Emirates Group (combined businesses of Emirates Airline and dnata) expects to return to profitability in the 2022/23 financial year “while keeping a close watch on headwinds such as high fuel prices, inflation, new COVID-19 variants, and political and economic uncertainty”. The AR Committee concluded that it would continue to receive regular updates from Doric on the performance of Emirates and would continue to monitor Emirates’ overall performance. The Company and Emirates have now reached agreement that at the lease end date, currently expected to be 16th December 2022, the Company will sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company are £25.30 million. The AR Committee has concluded that it is appropriate to prepare the financial statements on a basis other than going concern. Under a basis other than going concern the residual value of the Asset is measured using agreed sales proceeds less sales related costs, and assets and liabilities are reclassified from non-current to current. Property, Plant and Equipment – Aircraft has been reclassified from non-current to current, due to the agreed sale of the Asset to Emirates at the expiration of the Lease agreement The AR Committee carefully considered the disclosure in note 19(c) to the financial statements to ensure that this concentration of credit risk is properly reflected.

AUDIT AND RISK COMMITTEE REPORT (continued)

Significant issues for the year under review	How the AR Committee addressed these significant issues
Consideration of any triggers for impairment	
IAS 36 Impairment of Assets requires that a review for impairment be carried out by the Company when there is an indication of impairment of an asset and if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The review will compare the carrying amount of the asset with its recoverable amount, which is the higher of its value if sold (if known) and its VIU.	The AR Committee has considered the issue at length and accordingly an impairment review has been undertaken as at 31 March 2022. Refer to note 3 for further detail on the factors triggering the review and the sensitivity analysis performed on the discount rates and residual value inputs. As a result of the current year review, an impairment loss of £2,094,832 was booked in the accounts as disclosed in note 3. Contributing factors, which triggered the AR Committee's decision to perform an impairment review, included the Pandemic and its consequences, as well as the agreed sale proceeds of the Asset

Going Concern

The Directors, in consultation with the Asset Manager, are monitoring the continuous effect of the Pandemic generally on the aviation industry and specifically on the financial wellbeing of its Lessee both now and in the future.

Given the prolonged impact of the Pandemic, increased lessee counterparty credit risk remains in existence. However, notwithstanding the challenging business environment, Emirates was able to substantially improve its profitability reducing its net loss by 81% to USD 1.1 billion. And the management of Emirates Group (combined businesses of Emirates Airline and dnata) expects to return to profitability in its FY 2022-23 financial year-end.

As announced on 15 July 2022, the Company and Emirates have now reached agreement that at the lease end date, currently expected to be 16th December 2022, the Company will sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company are £25.30 million. The Directors intend to distribute the sale proceeds to Shareholders, net of any liquidation and other costs and assuming successful completion and no further or unexpected costs or events, as soon as possible following the Lease End Date. It is currently anticipated that the process for liquidation of the Company will commence as soon as practicably possible thereafter, following payment of monies to Shareholders.

Until the Lease End Date, it is expected that the Company and the operating lease will continue as contracted.

Although the Company does not have a fixed life, the Articles previously required that the directors convene a general meeting of the Company ("Liquidation Proposal Meeting") six months before the end of the term of the Lease where an ordinary resolution will be proposed that the Company proceeds to an orderly wind-up (the "Liquidation Proposal") at the end of the term of the Lease ("Lease End"). In an extraordinary general meeting held on 10 May 2022 it was resolved that the timetable for the Liquidation Proposal Meeting be adjusted to allow for the meeting to be convened within four months after the date of the Lease End and for the Liquidation Proposal to be tabled at that meeting.

Since, subject to shareholder approval at the Liquidation Proposal Meeting, it is the Directors' intention to proceed to an orderly wind up of the Company within 12 months of the Board's approval of this Annual Financial Report, it is considered that the Company no longer meets the definition of a going concern (ie an entity which will continue its operations for the foreseeable future).

For this reason the Directors have concluded that it is appropriate to prepare the financial statements on a basis other than going concern, after having considered the above.

AUDIT AND RISK COMMITTEE REPORT (continued)

Under a basis other than going concern the residual value of the Asset is measured using agreed sales proceeds less sales related costs, and assets and liabilities are reclassified from non-current to current. Property, Plant and Equipment – Aircraft has been reclassified from non-current to current, due to the agreed sale of the Asset to Emirates at the expiration of the Lease agreement.

Notwithstanding the determination that it is appropriate to prepare the financial statements on a basis other than going concern, the Directors consider that the Company remains solvent and is able to meet its liabilities as they fall due.

Internal Controls

The AR Committee has made due enquiry of the internal controls of the Administrator. The AR Committee is satisfied with the controls currently implemented by the Administrator. However, it has requested that the Administrator keep the Company informed of any developments and improved internal control procedures.

The most recent report on the internal control of JTC’s administration services, prepared in accordance with the ISAE 3402, for the period from 1 April 2021 to 31 March 2022, has been provided to the Committee.

Internal Audit

The Company has no employees and operates no systems of its own, relying instead on the employees and systems of its external service providers. Following a recommendation from the AR Committee, the Board has therefore taken the decision that it would be of insufficient benefit for the Company to engage an internal auditor.

External Audit

The effectiveness of the external audit process is dependent on appropriate audit risk identification at the start of the audit cycle. The AR Committee received from Grant Thornton a detailed audit plan identifying their assessment of the key risks. For the financial year under review, the primary risks identified were in respect of valuation of the Asset, the recognition of lease rental income and the presumed risk on management override of controls.

Using its collective skills, the AR Committee evaluates the effectiveness of the audit process in addressing the matters raised through the reporting it received from Grant Thornton at the conclusion of the audit. In particular the AR Committee formally appraised Grant Thornton against the following criteria:

- Independence
- Ethics and conflicts
- Knowledge and experience
- Challenge
- Promptness
- Cost
- Overall quality of service

In addition the AR Committee sought feedback from the Administrator on the effectiveness of the audit process.

For the financial year under review, the AR Committee was satisfied that there had been appropriate focus on the primary areas of audit risk and assessed the quality of the audit process to be good.

The AR Committee holds meetings with the external auditor to provide additional opportunity for open dialogue and feedback from the auditor. Should it be necessary, the AR Committee members meet with the external auditor without the Administrator and Asset Manager being present. Matters typically discussed include the auditor’s assessment of business risks and management activity thereon, the transparency and openness of interactions with the Administrator, confirmation that there has been no restriction in scope placed on them by the Administrator on the independence of their audit and how they have exercised professional scepticism.

AUDIT AND RISK COMMITTEE REPORT (continued)

Appointment and Independence
Grant Thornton provided audit services to the Company for the financial year under review. This has been the first audit of the Company carried out by Grant Thornton, following its appointment on 2 August 2021. Deloitte had been the Company's external auditor since October 2012, with Deloitte's first audit of the Company being carried out for the year ended 31 March 2013.

During the financial year under review the AR Committee undertook a review of the audit function, undertaking a tender process with a number of audit firms which resulted in the recommendation to the Board to appoint Grant Thornton Limited as auditor for the financial year ended 31 March 2022, which the Board accepted.

The AR Committee considered Grant Thornton Limited, the Company's new auditor, to be independent of the Company. The AR Committee has provided the Board with its recommendation to Shareholders on the ratification of the appointment of Grant Thornton Limited as external auditor for the year ending 31 March 2022 at the forthcoming annual general meeting.

Non-Audit Services
To further safeguard the objectivity and independence of the external auditor from becoming compromised, the AR Committee has a formal policy governing the engagement of the external auditor to provide non-audit services. No changes have been made to this policy during the year. This policy specifies that the external auditor should only be engaged for non-audit services where there is considered to be a very low threat to auditor independence. No non-audit services had been provided by Grant Thornton during the year.

The external auditor is prohibited from providing any other services without the AR Committee's prior approval. In reaching such a determination the AR Committee will take into consideration whether it is in the best interests of the Company that such services should be supplied by the Company's external auditor (rather than another service provider) and, if so, whether any safeguards regarding auditor objectivity and independence in the conduct of the audit should be put in place, whether these would be effective and how such safeguards should be disclosed.

Committee Evaluation
The AR Committee's activities formed part of the review of Board effectiveness performed in the year under review.

An internal evaluation of the AR Committee's effectiveness will be carried out in 2022.

Geoffrey Hall
Chair of the Audit and Risk Committee

9 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DORIC NIMROD AIR ONE LIMITED

Opinion

We have audited the financial statements of Doric Nimrod Air One Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- are in accordance with IFRSs as adopted by the European Union; and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

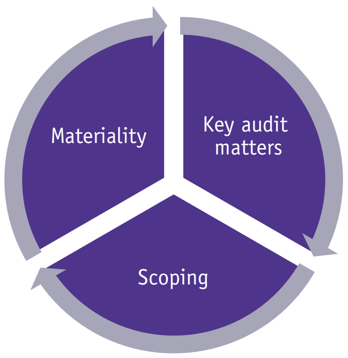
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 2(a) to the financial statements, which describes the basis of preparation of the financial statements. As described in that note, on 15 July 2022, the Company agreed the sale of the aircraft asset to Emirates at the expiration of the lease agreement and accordingly the directors have prepared the financial statements on a basis other than going concern. Our opinion is not modified in respect of this matter.

Our approach to the audit

GrantThornton



Overview of our audit approach

Overall materiality: £898,100, which represents 3% of the Company's net assets value ('NAV') as at 31 December 2021, determined at the planning stage of the audit.

Key audit matters were identified as:

- Valuation of aircraft (same as last year)

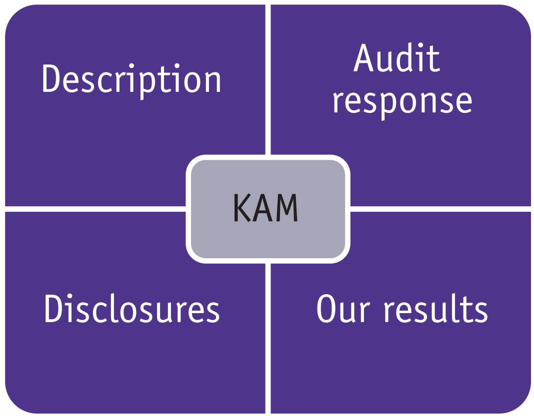
The predecessor auditor's audit report for the year ended 31 March 2021 included two (2) key audit matters that have not been reported as key audit matters in our current year's audit report. These relate to recognition of lease rental income and going concern. Recognition of lease rental income, although remains as a significant risk, does not include significant judgment in the current year. Regarding going concern, as indicated in the Emphasis of matter paragraph, the preparation of the financial statements is on a basis other than that of a going concern this year.

Our audit approach was a risk-based substantive audit.

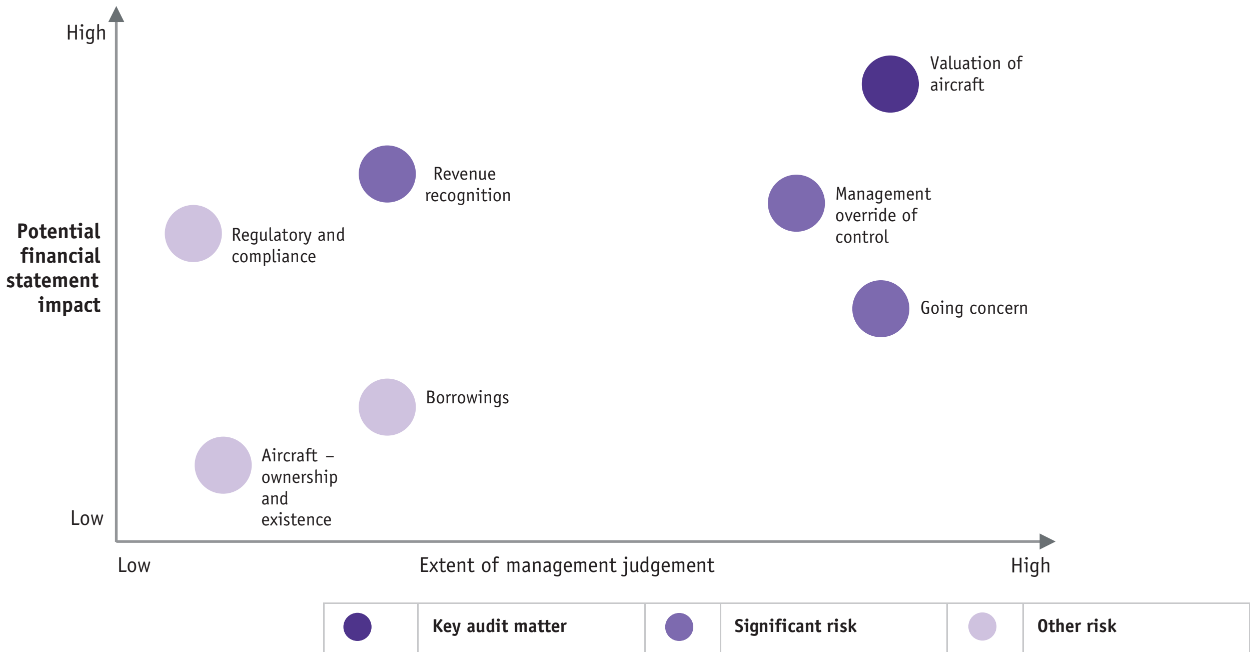
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DORIC NIMROD AIR ONE LIMITED (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DORIC NIMROD AIR ONE LIMITED (continued)

Key Audit Matter	How our scope addressed the matter
Valuation of aircraft We identified the valuation of aircraft as one of the most significant assessed risks of material misstatement due to error. Included in current assets in the Company's statement of financial position as at 31 March 2022 is an aircraft asset with a carrying value of £29,873,703 (2021: non-current assets £41,605,961) as disclosed in Note 10 to the financial statements. As explained in Note 2(m), the Company's accounting policy is to measure its aircraft asset at depreciated historic cost less impairment. The asset is being depreciated on a straight-line basis over the term of the lease to an estimated residual value at the end of that period. As stated in the 'Residual Value, Impairment and Useful Life of Aircraft' note within Note 3, one of the key considerations is the estimated residual value. The Company used three external appraisers who provided an estimate of the residual value which was based on significant judgement and assumptions about the current and future market conditions. This was the process until it was agreed on 15 July 2022 to subsequently sell the aircraft to the lessee ("Emirates") on expiration of the lease. As a result, at the year-end, the residual value is based on the agreed sale proceeds (£25.3m) and deducted for any sale related costs. As further described in Note 3, the valuation can potentially be impacted by the pricing changes for the Aircraft due to the impact of Covid-19. The Company has performed an impairment assessment, which includes various assumptions to determine the net present value of future cash flows and requires consideration of an appropriate discount rate that is applied to the rental cash flows. If the assumptions used in dertermining the valuations prove to be false and actual results of operations differ from the estimates set forth in the financial statements, the difference in the valuation could be material.	Our audit work included, but was not restricted to: • We assessed whether the Company's accounting policy regarding the valuation of the aircraft is in accordance with International Accounting Standard (IAS) 16 – Property, Plant and Equipment and considered the impact of the future agreed sale of the Aircraft; • We held detailed discussions with management, including the directors, and obtained an understanding of the processes and controls in place regarding the valuation of the aircraft asset; • We obtained and assessed detailed supporting documentation that had been approved by management for key inputs, assumptions and methodology used from which the valuation of the aircraft asset is derived; • We assessed and documented the competence, capability and objectivity of the external appraisers that management engaged in the process; • We assessed all the information provided, including the three appraiser's reports, the lease agreement, the amendment to such agreement, the redelivery condition side letter, the valuation report from the asset manager and the sale agreement regarding the subsequent disposal of the aircraft asset; • We engaged our internal aircraft valuation specialists to assist us in performing the testing of the valuation of the aircraft asset which included the following: ○ Assisted in determining whether the valuation methodologies used to estimate the residual value of the aircraft asset are consistent with methods usually used by similar companies; ○ Used their knowledge of the market to assess and corroborate valuation inputs by reference to comparable transactions, and independently compiled databases and/or indices; and ○ Assisted in determining whether the appraisers were appropriate, qualified and independent. • We assessed the sufficiency of related disclosures in the financial statements. **Our results** We have not identified any matters after completing our audit procedures as indicated above in relation to the valuation of aircraft.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DORIC NIMROD AIR ONE LIMITED (continued)

Our application of materiality
We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

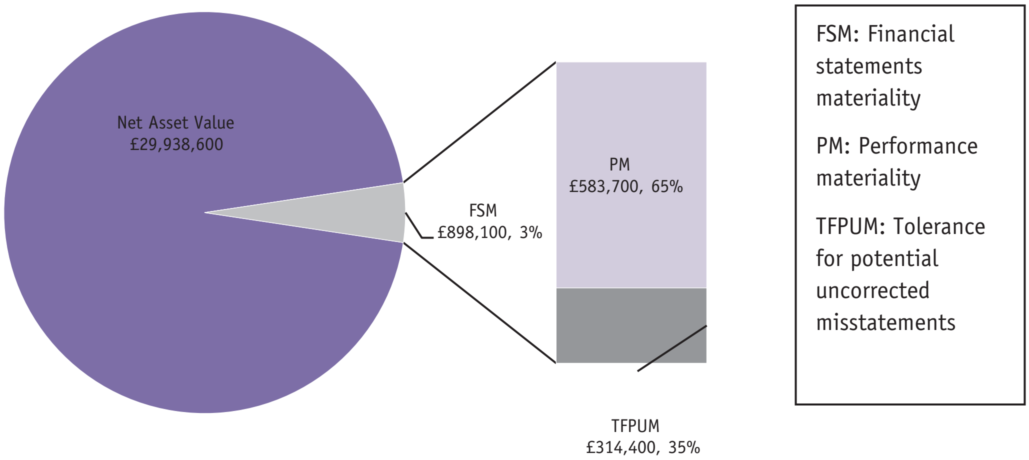
Materiality measure	Company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.
Materiality threshold	£898,100, which represents 3% of the Company's NAV as at 31 December 2021, determined at the planning stage of the audit.
Significant judgements made by auditor in determining the materiality	In determining materiality, we made the following significant judgements: • NAV is the most appropriate benchmark considering the following: – Although the Company does not have a fixed life, the Company has one operation – i.e. leasing (then selling) its sole aircraft. The lease term is for 12 years ending in December 2022. The members' (primary users of financial statements) focus is on the NAV after the lease end as they are concerned as to how much return they would get for their shares. – The lender's secondary focus (their main focus being profit before tax and rental income considering this is the means for them to be repaid by the Company), is the value of the aircraft asset, which comprises the majority of the NAV, considering that the lease is secured by the said asset. • We have not updated the materiality to 31 March 2022 NAV as the initial materiality determined was lower and based on our professional judgment it was appropriate to use the initial materiality for audit purposes; and • Our materiality threshold was set at the lower end of our acceptable range due to the Company being a listed entity and in line with our methodology.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.
Performance materiality threshold	£583,700, which is 65% of financial statement materiality.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DORIC NIMROD AIR ONE LIMITED (continued)

Materiality measure	Company
Significant judgements made by auditor in determining the performance materiality	In determining performance materiality, we made the following significant judgements: Performance materiality was set at 65% of financial statement materiality, as the probability that the aggregate of uncorrected and undetected misstatements that exceed materiality was assessed as low; and Our determination is based on the fact that no misstatements were identified in the predecessor auditor's prior year audit and our assessment of the control environment which concluded there were effective controls around business processes and financial reporting activities. However, because this was our first year of audit and the Company is listed, in accordance with our methodology, we determined that a measurement percentage of 65% was appropriate.
Specific materiality	We have not determined specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.
Specific materiality	We have not determined a lower level of specific materiality.
Communication of misstatements to the Audit and Risk Committee	We determine a threshold for reporting unadjusted differences to the Audit and Risk Committee.
Threshold for communication	£44,900, which is approximately 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DORIC NIMROD AIR ONE LIMITED (continued)

An overview of the scope of our audit
We performed a risk-based audit that requires an understanding of the Company's business and in particular matters related to:

- Assessment of audit risk, our evaluation of materiality and our allocation of performance materiality to determine our audit scope for the Company. We took into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed;

- The day-to-day management of the Company and the maintenance of the Company's accounting records are being outsourced to third-party service providers. Accordingly, our audit work is focused on obtaining an understanding of, and evaluating, internal controls at the Company and the third-party service providers, and inspecting records and documents held by these third-party service providers;

- We performed tests of the operating effectiveness of controls and substantive testing on significant risk accounts – i.e. the valuation of the aircraft asset, and revenue occurrence, considering the lease rental income is based on the schedule of rental payments stated in the lease agreements;

- We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks; and

- For highly subjective estimates made by management, such as the valuation of the aircraft asset, we engaged an external expert to confirm the reasonableness of the valuation methodology used with consideration to industry valuation benchmarks used by market participants.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual financial report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement
We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's voluntary compliance with the provisions of the UK Corporate Governance Code.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DORIC NIMROD AIR ONE LIMITED (continued)

- the directors' explanation in the annual report as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions;the directors' statement that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for members to assess the company's performance, business model and strategy;

- the directors' confirmation in the annual report that they have carried out a robust assessment of the principal and emerging risks facing the company including the impact of Covid-19 and the disclosures in the annual report that describe the principal risks, procedures to identify emerging risks and an explanation of how they are being managed or mitigated including the impact of Covid-19;

- the section of the annual report that describes the review of the effectiveness of the company's risk management and internal control systems, covering all material controls, including financial, operational and compliance controls; and

- the section of the annual report describing the work of the Audit and Risk Committee, including significant issues that the Audit and Risk Committee considered relating to the financial statements and how these issues were addressed.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or

- the financial statements are not in agreement with the accounting records; or

- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of directors for the financial statements
As explained more fully in the Statement of Director's Responsibilities as set out on page 31, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF DORIC NIMROD AIR ONE LIMITED (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements regarding irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We determined that the following laws and regulations were most significant: IFRSs as adopted by the European Union, the Companies (Guernsey) Law, 2008, the UK Corporate Governance Code, the Financial Conduct Authority’s Disclosure Guidance and Transparency Rules, and the relevant tax compliance regulations in the jurisdictions in which the Company operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, and those laws and regulations relating to bribery and corruption practices;

- We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes and papers provided to the Audit and Risk Committee;

- We enquired of management and the Board of Directors whether they were aware of any instances of non-compliance with laws and regulations and whether they had any knowledge of actual, suspected or alleged fraud;

- We assessed the susceptibility of the Company’s financial statements to material misstatement, including how fraud might occur. We considered the possibility of fraud through management override and, based on our understanding we designed and incorporated the following audit procedures into our audit strategy to identify instances of fraud and non-compliance with such laws and regulations:

    - identifying and assessing the design and implementation of controls management has put in place to prevent and detect fraud;

    - challenging assumptions and judgements made by management in its significant accounting estimates;

    - utilising a valuation specialist to check external valuation reports;

    - identifying and testing journal entries, in particular, any journal entries posted for which we have not identified and/or tested the relevant control; and

    - obtaining an understanding of the nature of the journal entries as mentioned above and checking whether such journals are in line with our understanding of the business of the Company and, as necessary, obtaining supporting documentation for such journals.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations from events and transactions reflected in the financial statements, the less likely we would become aware of it.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DORIC NIMROD AIR ONE LIMITED (continued)

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's understand of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;

- Relevant laws and regulations and potential fraud risks were communicated to all engagement team members. We remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cyril Swale
For and on behalf of Grant Thornton Limited
Chartered Accountants
St Peter Port
Guernsey

Date: 9 September 2022

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2022

	Notes	Year ended 31 Mar 2022 GBP	Year ended 31 Mar 2021 (As restated) GBP
INCOME			
A rent income	4	10,053,647	10,304,627
B rent income	4	4,508,388	4,508,388
		14,562,035	14,813,015
EXPENSES			
Operating expenses	5	(883,776)	(679,610)
Depreciation of Asset	10	(9,637,426)	(9,862,508)
Impairment of Asset	10	(2,094,832)	(6,316,569)
		(12,616,034)	(16,858,687)
Net profit/(loss) for the year before finance costs and foreign exchange losses		1,946,001	(2,045,672)
Finance costs	11	(298,142)	(638,738)
Net profit/(loss) for the year after finance costs before foreign exchange (losses)/profit		1,647,859	(2,684,410)
Unrealised foreign exchange (loss)/profit	7	(139,281)	847,447
Profit/(loss) for the year		1,508,578	(1,836,963)
Total Comprehensive Profit/(losses) for the year		1,508,578	(1,836,963)

		Pence	Pence
Earnings per Share for the year – Basic and Diluted	9	3.55	(4.33)

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

The notes on pages 58 to 78 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Notes	31 Mar 2022 GBP	31 Mar 2021 (As restated)* GBP	31 Mar 2020 (As restated)* GBP
NON-CURRENT ASSETS				
Property, Plant and Equipment – Aircraft	10	–	41,605,961	57,785,038
CURRENT ASSETS				
Property, Plant and Equipment – Aircraft	10	29,873,703	–	–
Accrued income		–	471,201	953,531
Cash and cash equivalents	17	3,325,434	2,092,159	3,770,813
Receivables	13	187,772	114,362	13,687
		33,386,909	2,677,722	4,738,031
TOTAL ASSETS		33,386,909	44,283,683	62,523,069
CURRENT LIABILITIES				
Borrowings	15	2,472,959	3,046,374	9,578,401
Deferred income		4,581,970	5,179,479	–
Payables - due within one year	14	65,079	53,405	34,547
		7,120,008	8,279,258	9,612,948
NON-CURRENT LIABILITIES				
Borrowings	15	–	2,294,683	5,877,968
Deferred income		–	5,130,919	12,795,867
		–	7,425,602	18,673,835
TOTAL LIABILITIES		7,120,008	15,704,860	28,286,783
TOTAL NET ASSETS		26,266,901	28,578,823	34,236,286
EQUITY				
Share capital	16	39,016,728	39,016,728	39,016,728
Retained loss		(12,749,827)	(10,437,905)	(4,780,442)
		26,266,901	28,578,823	34,236,286

	Pence	Pence	Pence
Net Asset Value per Ordinary Share based on 42,450,000 (31 March 2021: 42,450,000) Shares in issue	61.88	67.32	80.65

The financial statements were approved by the Board and authorised for issue on 9 September 2022 and are signed on its behalf by:

Charles Wilkinson
Director

Geofrey Hall
Director

The notes on pages 58 to 78 form an integral part of these financial statements.

*Refer to note 2(c) for details

STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	Notes	Year ended 31 Mar 2022 GBP	Year ended 31 Mar 2021 (As restated) GBP
OPERATING ACTIVITIES			
Profit/(Loss) for the year		1,508,578	(1,836,963)
Movement in accrued and deferred income		(5,257,234)	(2,003,145)
Impairment of Asset	10	2,094,832	6,316,569
Depreciation of Asset	10	9,637,426	9,862,508
Loan interest payable	11	237,588	578,184
Increase in payables		11,674	18,858
Increase in receivables		(73,410)	(100,671)
Amortisation of debt arrangement costs	11	60,554	60,554
Foreign exchange movement	7	139,283	(847,447)
NET CASH FROM OPERATING ACTIVITIES		8,359,291	12,048,447
FINANCING ACTIVITIES			
Dividends paid	8	(3,820,500)	(3,820,500)
Repayments of capital on borrowings	20	(3,098,766)	(9,132,742)
Interest on borrowings	20	(236,052)	(577,143)
NET CASH USED IN FINANCING ACTIVITIES		(7,155,318)	(13,530,385)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,092,159	3,770,813
Increase/(decrease) in cash and cash		1,203,973	(1,481,938)
Effects of foreign exchange rates		29,302	(196,716)
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	3,325,434	2,092,159

The notes on pages 58 to 78 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

	Share Capital GBP	Retained Loss GBP	Total GBP
Balance as at 1 April 2021 (As previously reported)	39,016,728	(11,336,401)	27,680,327
Restatement	–	898,496	898,496
Balance as at 1 April 2021 (As restated)	39,016,728	(10,437,905)	28,578,823
Total Comprehensive Profit for the year	–	1,508,578	1,508,578
Dividends paid	–	(3,820,500)	(3,820,500)
Balance as at 31 March 2022	39,016,728	(12,749,827)	26,266,901

	Share Capital GBP	Retained Loss GBP	Total GBP
Balance as at 1 April 2020 (As previously reported)	39,016,728	(7,216,593)	31,800,135
Restatement	–	2,436,151	2,436,151
Balance as at 1 April 2020 (As restated)	39,016,728	(4,780,442)	34,236,286
Total Comprehensive Losses for the year	–	(1,836,963)	(1,836,963)
Dividends paid	–	(3,820,500)	(3,820,500)
Balance as at 31 March 2021 (As restated)	39,016,728	(10,437,905)	28,578,823

The notes on pages 58 to 78 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1 GENERAL INFORMATION

The Company was incorporated in Guernsey on 8 October 2010 with registered number 52484. The address of the registered office is given on page 79. Its Share Capital consists of one class of the Shares and Administrative Shares (redeemed and cancelled on 10 May 2022). 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 a single Aircraft. The principal activities of the Company are set out in the Chair's Statement and Management Report on pages 7 to 8 and 18 to 21 respectively.

2 ACCOUNTING POLICIES

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

(a) Basis of Preparation

The financial statements have been prepared in conformity with IFRS as adopted by the EU, which comprise standards and interpretations approved by the IASB and IFRIC and applicable Guernsey law.

The Directors have made the judgement that the Company should prepare the financial statements on a basis other than going concern. As announced on 15 July 2022, the Company and Emirates have now reached an agreement that at the lease end date, currently expected to be 16th December 2022, the Company will sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company is £25.30 million. The Directors intend to distribute the sale proceeds to Shareholders, net of any liquidation and other costs and assuming successful completion and no further or unexpected costs or events, as soon as possible following the Lease End Date. It is currently anticipated that the process for liquidation of the Company will commence as soon as practicably possible thereafter, following payment of monies to Shareholders.

As a result the assets and liabilities have been reclassified from non-current to current, specifically the Property, Plant and Equipment – Aircraft which is now classified as current.

The carrying amount of the aircraft will be recovered principally through a sale transaction rather than through continuing use. At the reporting date, the Company reviewed the carrying amounts of the aircraft to determine whether there is any indication that the aircraft has suffered an impairment loss. Due to the agreement for the sale of the aircraft post year end, the recoverable amount of the aircraft being the higher of fair value less costs to sell and VIU, was estimated to determine the extent of the impairment loss. In assessing VIU, the agreed sales proceeds less expected sales related costs is used, and rental cash flows to the end of the contract 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 aircraft for which any estimates of future cash flows have not been adjusted.

The expected sales related costs are £38,058.

Based on the impairment review performed, an impairment loss of £2,094,832 was recognised in the current year (31 March 2021: £6,316,569), which resulted in an updated carrying value of the Aircraft (classified as current) in total to £29,873,703 at year end (31 March 2021 – Non-current: £41,605,961), as reflected in Note 10.

Further details of the discounted cash flow methodology including the determination of the appropriate discount rate and the impairment considerations are given in note 3.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

2 ACCOUNTING POLICIES (continued)

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the new and amended standards set out below:

(b) Adoption of new and revised Standards

New and amended IFRS Standards that are effective for current year

The following Standard and Interpretations have been adopted in the current year. 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:

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16). The amendments to IAS 16 prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The effective date is for annual periods beginning on or after 1 January 2022. The standard is not expected to have a material impact on the financial statements or performance of the Group.

New and Revised Standards in issue but not yet effective

IAS 1 ‘Presentation of financial statements’ Classification of Liabilities as Current or Non-current – The IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. This standard is effective for annual periods beginning on or after 1 January 2023 deferred until accounting periods starting not earlier than 1 January 2024. The new standard does not have a significant impact on the Company’s financial position, performance or disclosures in its financial statements.

Amendments to IAS 1‘Presentation of financial statements’ and IAS 8 ‘Accounting policies, changes in accounting estimates and error’ on definition of material. The effective date is for annual periods beginning on or after 1 January 2023. These amendments to IAS 1, IAS 8 and consequential amendments to other IFRSs:

— use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;

— clarify the explanation of the definition of material; and

— incorporate some of the guidance in IAS 1 about immateriality information.

Annual Improvements 2018-2020 Cycle makes amendments to the following standards:

— IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to IFRSs.

— IFRS 9 Financial Instruments - Fees in the ‘10 percent’ test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

— IFRS 16 Leases - Lease incentives. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

2 ACCOUNTING POLICIES (continued)

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

— IAS 41 Agriculture - Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

The amendments to IFRS 1, IFRS 9, and IAS 41 are all effective for annual periods beginning on or after 1 January 2022. The standard is not expected to have a material impact on the financial statements or performance of the Company.

(c) Prior period restatement

A prior year adjustment of £898,496 has been recognised to the opening retained earnings as at March 2021. This is as a result of the prior year adjustment in respect of the unrealised foreign exchange profit/loss on the deferred income liability. This has since been classified as a non-monetary item. As a consequence, the deferred income liability and the related unrealised foreign exchange was overstated/understated.

The following table summarises the impact on the Company's financial statements:

	2021 (as previously stated) GBP	Correction GBP	2021 (As restated) GBP
Unrealised foreign exchange profit	2,385,102	(1,537,655)	847,447
Loss for the financial year	(299,308)	(1,537,655)	(1,836,963)
Deferred income liability	11,208,894	(898,496)	10,310,398
Retained loss	(11,336,401)	898,496	(10,437,905)
Earnings per share (pence)	(0.71)	(3.62)	(4.33)

(d) Taxation

The financial statements incorporate the results of the Company.

The Company has been assessed for taxation at the Guernsey standard rate of income tax 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) Interest Income

Interest income 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 presentation currency. Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

2 ACCOUNTING POLICIES (continued)

(h) Foreign Currency Translation (continued)

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

(i) Cash and Cash Equivalents

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

(j) Segmental Reporting

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

(k) Going Concern

The Company's principal activities are set out within the Company Overview on pages 5 to 6. The financial position of the Company is set out on page 55.

As announced on 15 July 2022, the Company and Emirates have now reached agreement that at the lease end date, currently expected to be 16th December 2022, the Company will sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company is £25.30 million. The Directors intend to distribute the sale proceeds to Shareholders, net of any liquidation and other costs and assuming successful completion and no further or unexpected costs or events, as soon as possible following the Lease End Date. It is currently anticipated that the process for liquidation of the Company will commence as soon as practicably possible thereafter, following payment of monies to Shareholders.

Until the Lease End Date, it is expected that the Company and the operating lease will continue as contracted.

Although the Company does not have a fixed life, the Articles previously required that the directors convene a general meeting of the Company ("Liquidation Proposal Meeting") six months before the end of the term of the Lease where an ordinary resolution will be proposed that the Company proceeds to an orderly wind-up (the "Liquidation Proposal") at the end of the term of the Lease ("Lease End"). In an extraordinary general meeting held on 10 May 2022 it was resolved that the timetable for the Liquidation Proposal Meeting be adjusted to allow for the meeting to be convened within four months after the date of the Lease End and for the Liquidation Proposal to be tabled at that meeting.

Since, subject to shareholder approval at the Liquidation Proposal Meeting, it is the Directors' intention to proceed to an orderly wind up of the Company within 12 months of the Board's approval of this Annual Financial Report, it is considered that the Company no longer meets the definition of a going concern (i.e. an entity which will continue its operations for the foreseeable future).

For this reason the Directors have concluded that it is appropriate to prepare the financial statements on a basis other than going concern, after having considered the above.

Under a basis other than going concern, the residual value of the Asset is measured using agreed sales proceeds less sales related costs, based on conditions existing at the end of the reporting period and assets and liabilities are reclassified from non-current to current. Property, Plant and Equipment – Aircraft has been reclassified from non-current to current, due to the agreed sale of the Asset to Emirates at the expiration of the Lease agreement

Notwithstanding the determination that it is appropriate to prepare the financial statements on a basis other than going concern, the Directors consider that the Company remains solvent and is able to meet its liabilities as they fall due.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

2 ACCOUNTING POLICIES (continued)

(l) Leasing and Rental Income

The Lease relating to the Asset has been classified as an operating lease as the terms of the Lease do not transfer substantially all the risks and rewards of ownership to the Lessee. The Asset is shown as a non-current asset in the Statement of Financial Position. Further details of the Lease are given in note 12.

Rental income and advance lease payments from the operating lease are recognised on a straight line basis over the term of the 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 will reduce over time as the lease continue and approach the end of the lease terms.

(m) Property, Plant and Equipment – Aircraft

In line with IAS 16, the 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 costs to the Company. Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Accumulated depreciation and any recognised impairment loss are deducted from cost to calculate the carrying amount of the Asset.

Subsequently, depreciation is recognised so as to write off the cost of the Asset less the estimated residual value over the estimated useful life of the Asset of 12 years, using the straight line method. As at 31 March 2022, the estimated residual value of the Asset is £25.30 million (31 March 2021: £31.2 million). As the Company and Emirates have reached agreement that at the lease end date, currently expected to be 16th December 2022, the Company will sell the Asset to Emirates for £25.30 million. Thus, residual value as at 31 March 2022 of £25.30 million has been arrived at by taking these agreed sale proceeds and deducting sale related costs. The residual value as at 31 March 2021 was £31.2 million and was arrived at by taking the average amount of three independent external valuers and after taking into account disposition fees where applicable. This was determined using the soft value 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 annually and is an estimate of the fair amount the entity would receive today if the Asset were already of the age and condition expected at the end of its useful life. Useful life is also reviewed annually and, for the purposes of the financial statements, represents the likely period of the Company's ownership of the Asset. Depreciation starts when the Asset is available for use.

At each audited Statement of Financial Position date, the Company reviews the carrying amounts of the Asset to determine whether there is any indication that the Asset has suffered an impairment loss. If any such indication exists, the recoverable amount of the Asset is estimated to determine the extent of the impairment loss (if any). Further details are given in note 3.

The carrying amount of the aircraft will be recovered principally through a sale transaction rather than through continuing use. At the reporting date, the Company reviewed the carrying amounts of the aircraft to determine whether there is any indication that the aircraft has suffered an impairment loss. Due to the agreement for the sale of the aircraft post year end, the recoverable amount of the aircraft being the higher of fair value less costs to sell and VIU, was estimated to determine the extent of the impairment loss. In assessing VIU, the agreed sales proceeds less expected sales related costs is used, and rental cash flows to the end of the contract 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 aircraft for which any estimates of future cash flows have not been adjusted.

The expected sales related costs are £38,058.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

2 ACCOUNTING POLICIES (continued)

(n) Financial instruments

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

Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire, are extinguished, or if the Company transfers the financial assets to a third party and transfers all the risks and rewards of ownership of the Asset, or if the Company 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 Company only has financial assets that are classified as 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 as 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.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. These assets are subsequently measured at amortised cost using the effective interest method. The effective interest method calculates the amortised cost of financial instruments and allocates the interest over the period of the instrument.

The Company's financial assets held at amortised cost include trade and other receivables and cash and cash equivalents.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets held at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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 Company 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

2 ACCOUNTING POLICIES (continued)

(n) Financial instruments (continued)

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

(o) Dividend policy

Dividends are accounted for in the period which they are declared and approved by the Board of Directors.

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the Company'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 Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Estimates

Residual Value, Impairment and Useful Life of Aircraft

As described in note 2 (m), the Company depreciates the Asset on a straight line basis over the estimated useful life of the Asset after taking into consideration the estimated residual value. IAS 16 requires residual value to be determined as an estimate of the amount that the Company 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 Company and Emirates have reached agreement that at the lease end date, currently expected to be 16th December 2022, the Company will sell the Asset to Emirates for £25.30 million. Thus, residual value as at 31 March 2022 of £25.30 million has been arrived at by taking these agreed sale proceeds and deducting sale related costs. The residual value as at 31 March 2021 was £31.2 million and was arrived at by taking the average amount of three independent external valuers and after taking into account disposition fees where applicable. This was determined using the soft value excluding inflation, which best approximates residual value as required by IAS 16.

A sensitivity showing the impact of a 30 per cent fall in residual value on the depreciation charge and closing shareholders' equity is not relevant as at 31 March 2022 because Emirates and the Company have agreed that the aircraft will be sold to the Lessee at the end of the lease for £25.30 million and because these proceeds net of disposal costs constitute the residual value used in the depreciation and VIU calculations. A 30% reduction in the residual value used in the asset valuation as at 31 March 2021 would however have increased the depreciation and impairment charges by a combined £8.5 million. Closing shareholder equity would have fallen by the same amount. Conversely, an increase in residual values as at March 2021 would have had an equal and opposite effect.

The useful life of the Asset is based on the expected period for which the Company will own and lease the Aircraft. The Board expects that the Asset will have a working life in excess of this period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Estimates (continued)

Residual Value, Impairment and Useful Life of the Asset (continued)

The impairment assessment was performed by comparing the depreciated cost of the Aircraft with VIU. Rental cash flows to the end of the contracts have been used in the calculation of VIU as the cash flows are contractual. Any assumptions with regards to issues in counterparty credit risk would be reflected in the discount rate used to calculate the net present value of future cash flows. In assessing VIU, the agreed sales proceeds less expected sales related costs is used, and rental cash flows to the end of the contract are discounted using the Company’s WACC (6.5 percent). The present value produced by this calculation was lower as at 31 March 2022 than depreciated cost and so gave rise to an impairment loss.

The Company and Emirates have now reached agreement that at the lease end date, currently expected to be 16th December 2022, the Company wil sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company are £25.30 million. Residual values for the purpose of the impairment test are determined to be the sales proceeds less sales related costs.

Additionally, these values have been tested with regards its sensitivity to the discount rates. Discount rates at a -0.5 percent and +0.5 percent interval have been tested on either side of the WACC (6.5 percent) initially, with -1 percent and +1 percent intervals used for the analysis thereafter.

Rental cash flows to the end of the contract has been used in the calculation of the future cash flow as the cash flows are contractual. Any assumptions with regards issues in counterparty credit risk would be reflected in the discount rate used to calculate the net present value of future cash flows.

The directors on the advice of the Asset Manager considers that 6.5 percent. is the most appropriate WACC for the following reasons:

- The discount rate should be a rate commensurate with what a normal market participant would consider to be the risk inherent in the assets.

- The risk profile of Emirates. Emirates unsecured USD bonds indicate a running USD yield of 3.8 percent to 4.4 percent, depending on the maturity.

Based on the impairment review performed, an impairment loss of £2,094,832 was recognised in the current year (31 March 2021: £6,316,569), which resulted in an updated carrying value of the Aircraft (classified as current) in total to £29,873,703 at year end (31 March 2021 – Non-current: £41,605,961), as reflected in Note 10.

If the discount rate had been decreased by 0.5 percentage points with effect from the beginning of the year, the net profit for the year and closing shareholder’s equity would have been increased by approximately £0.01 million. An increase in the discount rates by 0.5 percentage points would have had an equal but opposite effect.

The directors review the carrying amount of its Asset at each audited Statement of Financial Position date and monitor the Asset for any indications of impairment as required by IAS 16 and IAS 36.

In assessing VIU, the agreed sales proceeds less expected sales related costs is used, and the estimated future cash flows expected to be generated by the Asset (ie the income streams associated with the) 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 and the credit risk profile of the Lessee.

Factors that are considered important which could trigger an impairment review include, but are not limited to, significant decline in the market value beyond that which would be expected from the passage of time or normal use, significant changes in the technology and regulatory environments, evidence from internal reporting which indicates that the economic performance of the Asset is, or will be, worse than expected.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Estimates (continued)

Residual Value, Impairment and Useful Life of Aircraft (continued)
The Board together with the Asset Manager have conducted an impairment review in the current year as the below item may result in pricing changes for the Aircraft:

- The impact of COVID-19 on the business of airlines and indirectly aircraft values, as well as on the credit risk profile of the Company's Lessee could indicate the need for impairment.

Judgements

Basis of Accounting
The Directors have made the judgement that the Company should prepare the financial statements on a basis other than going concern. As announced on 15 July 2022, the Company and Emirates have now reached agreement that at the lease end date, currently expected to be 16th December 2022, the Company will sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company are £25.30 million. The Directors intend to distribute the sale proceeds to Shareholders, net of any liquidation and other costs and assuming successful completion and no further or unexpected costs or events, as soon as possible following the Lease End Date. It is currently anticipated that the process for liquidation of the Company will commence as soon as practicably possible thereafter, following payment of monies to Shareholders.

Operating Lease Commitments – Company as Lessor
The Company has entered into a lease on the Asset. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, 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 this asset as well as assume the entirety of the residual value risk, and accounts for the contract as an operating lease.

The Company has determined that the operating lease on the Asset is for 12 years without an extension option.

Functional Currency
The currency of the primary economic environment in which the Company 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 Company's share capital was issued in GBP and;

- its dividends are paid to Shareholders in GBP, and that certain of the Company's significant operating expenses as well as portion of the Company's' rental income are incurred/earned in GBP.

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

4 RENTAL INCOME

	Year ended 31 Mar 2022 GBP	Year ended 31 Mar 2021 GBP
A rent income	3,844,109	7,918,707
Adjustment to spread total income receivable over the term of the lease	6,209,538	2,385,920
	10,053,647	10,304,627
B rent income	5,460,696	4,891,164
Adjustment to spread total income receivable over the term of the lease	(952,308)	(382,776)
	4,508,388	4,508,388
Total rental income	14,562,035	14,813,015

Rental income is derived from the leasing of the Asset. Rent is split into A rent, which is received in $ and B rent, which is received in Sterling. Rental income received in US dollars is translated into the functional currency (Sterling) at the date of the transaction.

5 OPERATING EXPENSES

	Year ended 31 Mar 2022 GBP	Year ended 31 Mar 2021 GBP
Corporate shareholder and advisor fee (note 22)	125,623	122,859
Asset management fee (note 22)	314,058	307,147
Liaison agency fees (note 22)	10,652	11,908
Administration fees (note 22)	58,868	59,503
Accountancy fees	17,906	11,622
Registrars fee (note 22)	13,186	10,187
Audit fee	35,575	25,400
Directors' remuneration (note 6)	64,997	68,000
Directors' and officers' insurance*	212,676	27,186
Legal and professional expenses	14,818	6,699
Annual fees	–	7,158
Other operating expenses	15,417	21,941
	883,776	679,610

* Due to market conditions at renewal, the directors' and officers' insurance premium was subject to a large increase.

6 DIRECTORS' REMUNERATION

Under their terms of appointment, each director is paid a fee of £15,000 per annum by the Company, except for the Chair, who receives £20,000 per annum and the Chair of Audit Committee, who receives £18,000 per annum. The rate of remuneration per director has remained unchanged.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

7 UNREALISED FOREIGN EXCHANGE (LOSSES)/GAINS/ (As restated)

	Year ended 31 Mar 2022 GBP	Year ended 31 Mar 2021 Restated GBP
Cash at bank	29,296	(196,717)
Borrowings	(168,576)	1,044,164
	(139,280)	847,447

The foreign exchange gain in the year reflects the 4.91 percent. movement in the Sterling/US dollar exchange rate from 1.3783 as at 31 March 2021 to 1.3138 as at 31 March 2022.

8 DIVIDENDS IN RESPECT OF EQUITY SHARES

	Year ended 31 Mar 2022	
	GBP	Pence per share
First interim dividend	955,125	2.25
Second interim dividend	955,125	2.25
Third interim dividend	955,125	2.25
Fourth interim dividend	955,125	2.25
	3,820,500	9.00

	Year ended 31 Mar 2022	
	GBP	Pence per share
First interim dividend	955,125	2.25
Second interim dividend	955,125	2.25
Third interim dividend	955,125	2.25
Fourth interim dividend	955,125	2.25
	3,820,500	9.00

Refer to the Subsequent Events in note 23 in relation to dividends declared after year end.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

9 EARNINGS PER SHARE (As restated)

Earnings per share is based on the net profit for the year, attributable to the Shareholders, of £1,508,578 (31 March 2021 as restated: net loss of £1,836,963) and 42,450,000 (31 March 2021: 42,450,000) Shares being the weighted average number of Shares in issue during the year.

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

10 PROPERTY, PLANT AND EQUIPMENT – AIRCRAFT

	Aircraft 31 Mar 2022 GBP	Aircraft 31 Mar 2021 GBP
COST		
As at 31 March	114,532,547	114,532,547
ACCUMULATED DEPRECIATION AND IMPAIRMENT		
As at 1 April	72,926,586	56,747,509
Depreciation charge based on previous residual values	6,147,815	7,854,449
Adjustment due to change in US dollar residual values	3,489,611	738,123
Adjustment due to FX movements on residual values	–	1,269,936
Depreciation charge for the year	9,637,426	9,862,508
Adjustment due to impairment	2,094,832	6,316,569
As at 31 March	84,658,844	72,926,586
CARRYING AMOUNT		
As at 31 March	29,873,703	41,605,961

The cost in US dollars and the exchange rates at acquisition for the Aircraft was as follows:	
Cost in US dollars	178,549,805
GBP/US dollars exchange rate	1.5502

As announced on 15 July 2022, the Company and Emirates have now reached agreement that at the lease end date, currently expected to be 16th December 2022, the Company will sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company are £25.30 million. Aircraft has thus been classified as a current asset in the Statement of Financial Position.

A 19 percent decrease in residual values used in the current year resulted in £3,489,614 increase in the annual depreciation charge, as compared to the charge which would have been made if based on the 31 March 2021 residual value.

Note 15 ('Borrowings') describes the borrowings obtained by the Company to part-finance the acquisition of its Aircraft. The Company has obligations under the Loan to make scheduled repayments of principal and interest, which are serviced by the receipt of lease payments from Emirates. The final loan payment is due in December 2022. The Company's Aircraft with a carrying value of £29,873,703 is pledged as security for the Company's borrowings (see note 15).

Under IFRS 16 the direct costs attributed in negotiating and arranging the Lease have been added to the carrying amount of the Asset and are being recognised as an expense over the lease term.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

11 FINANCE COSTS

	Year ended 31 Mar 2022 GBP	Year ended 31 Mar 2021 GBP
Amortisation of debt arrangement costs	60,554	60,554
Loan interest	237,588	578,184
	298,142	638,738

12 OPERATING LEASES

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

31 Mar 2022	Next 12 months GBP	1 to 5 years GBP	After 5 years GBP	Total GBP
Aircraft – A rental receipts	1,979,823	–	–	1,979,823
Aircraft – B rental receipts	2,730,348	–	–	2,730,348
	4,710,171	–	–	4,710,171

31 Mar 2021	Next 12 months GBP	1 to 5 years GBP	After 5 years GBP	Total GBP
Aircraft – A rental receipts	3,774,348	1,887,174	–	5,661,522
Aircraft – B rental receipts	5,460,696	2,730,348	–	8,191,044
	9,235,044	4,617,522	–	13,852,566

The operating lease is for an Airbus A380-861 aircraft. The term of the lease is for 12 years ending December 2022 with reduced rental payments in the last two years and no extension option.

13 RECEIVABLES

	31 Mar 2022 GBP	31 Mar 2021 GBP
Prepayments	187,761	114,351
Sundry debtors	11	11
	187,772	114,362

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

14 PAYABLES (due within one year)

	31 Mar 2022 GBP	31 Mar 2021 GBP
Accrued administration fees	6,367	5,805
Accrued audit fee	34,800	24,125
Other accrued expenses	23,912	23,475
	65,079	53,405

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

15 BORROWINGS

	31 Mar 2022 GBP	31 Mar 2021 GBP
Bank loan	2,515,596	5,444,248
Transaction costs	(42,637)	(103,191)
	2,472,959	5,341,057
Current portion	2,472,959	3,046,374
Non-current portion	–	2,294,683

Notwithstanding the fact that £3.1 million (31 March 2021: £9.1 million) of debt was repaid during the year, as per the Statement of Cash Flows, the value of the borrowings has decreased by £2.9 million (31 March 2021: £10.1 million) due to the 4.91 percent movement in the Sterling/US dollar exchange rate for the Period from 1.3783 at 31 March 2021 to 1.3138 at 31 March 2022. See note 19.

The amounts below detail the future contractual undiscounted cash flows in respect of the loan, including both the principal and interest payments, and will not agree directly to the amounts recognised in the Statement of Financial Position:

	31 Mar 2022 GBP	31 Mar 2021 GBP
Amount due for settlement within 12 months	2,580,539	3,279,704
Amount due for settlement after 12 months	–	2,459,778

The Loan was arranged with Westpac for $122,000,000, runs for 12 years until December 2022 and has an effective interest rate of 5.4950 percent. which is the same as the contractual fixed interest rate. The Loan is secured on the Asset. No breaches or defaults occurred in the year. Transaction costs of arranging the loan have been deducted from the carrying amount of the Loan and are being amortised over its life.

In the directors' opinion, the above carrying value of the bank loan is approximate to its fair value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

16 SHARE CAPITAL

The Share Capital of the Company is represented by an unlimited number of shares of no par value being issued or reclassified by the Company as Share Capital.

Issued	Administrative Shares	Ordinary Shares
Issued shares as at 31 March 2022 and as at 31 March 2021	2	42,450,000

Issued Shares	GBP
Total Share Capital as at 31 March 2022 and as at 31 March 2021	39,016,728

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

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

The holders of Administrative Shares are not entitled to receive, and participate in, any dividends out of income; other distributions of the Company available for such purposes and resolved to be distributed in respect of any accounting Period; or other income or right to participate therein. On a winding up, holders are entitled to a return of capital paid up on them 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 shall have no right to attend, speak and vote at general meetings of the Company, except for the Liquidation Proposal Meeting (general meeting convened six months before the end term of the Lease where the Liquidation Resolution will be proposed) or if there are no Shares in existence

The Administrative Shares were redeemed and cancelled on the 10th of May 2022.

17 CASH AND CASH EQUIVALENTS

	31 Mar 2022 GBP	31 Mar 2021 GBP
Cash at bank	3,325,434	2,092,159

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

18 FINANCIAL INSTRUMENTS

The Company's main financial instruments comprise:

(a) Cash and cash equivalents that arise directly from the Company's operations; and

(b) A loan secured on a non-current asset.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The following table details the categories of financial assets and liabilities held by the Company at the reporting date:

	31 Mar 2022 GBP	31 Mar 2021 GBP
Financial assets		
Cash and cash equivalents	3,325,434	2,092,159
Receivables (excluding prepayments)	11	11
Financial assets at amortised cost	3,325,445	2,092,170
Financial liabilities		
Payables	–	53,405
Borrowings	2,472,959	5,341,057
Financial liabilities measured at amortised cost	2,472,959	5,394,462

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

(a) Capital Management

The Company manages its capital to ensure that the Company will be able to continue to meet it obligations as they fall due until the termination of the Lease agreement and the anticipated liquidation of the Company. The Company is not subject to any externally imposed capital requirements.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in note 15, cash and cash equivalents disclosed in note 17 and equity attributable to equity holders, comprising issued capital and retained earnings.

The Company's Board typically reviews the capital structure on a bi-annual basis though with the the Directors intention to distribute the sale proceeds of the Asset to Shareholders, net of any liquidation and other costs and assuming successful completion and no further or unexpected costs or events, as soon as possible following the Lease End Date, more frequent review is planned for the period leading up to the anticipated liquidation.

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 2021.

(b) Foreign Currency Risk

The Company's accounting policy under IFRS requires the use of a Sterling historic cost of the Asset and the value of the US dollar Loan as translated at the spot exchange rate on every statement of financial position date. In addition, US dollar operating lease receivables are not immediately recognised in the Statement of Financial Position and are accrued over the period of the Lease. The directors consider that this introduces artificial variance due to the movement over time of foreign exchange rates. In actuality, the US dollar operating lease receivables should offset the US dollar payables on the amortising loan. The foreign exchange exposure in relation to the Loan is thus largely naturally hedged.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Foreign Currency Risk (continued)

Lease rentals (as detailed in notes 4 and 12) are received in US dollars and Sterling. Those lease rentals received in US dollars are used to pay the loan repayments due, also in US dollars. Both US dollar lease rentals and loan repayments are fixed and are for similar sums and similar timings. The matching of lease rentals to settle loan repayments therefore minimises risks caused by foreign exchange fluctuations.

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

	31 Mar 2022 GBP	31 Mar 2021 GBP
Bank loan (US dollar) – liabilities	(2,515,596)	(5,444,248)
Cash and cash equivalents (US dollar) – assets	939,034	400,472

The following table details the Group's sensitivity to a 15 per cent. (31 March 2021: 25 per cent.) appreciation of the US dollar relative to the pound. 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 fall where the US dollar strengthens 15 per cent because the net dollar liabilities increase in pound terms. (31 March 2021: 25 per cent.). For a 15 per cent. (31 March 2021: 25 per cent.) weakening of the US dollar against the pound, there would be a comparable but opposite impact on the profit and other equity.

	31 Mar 2022 USD impact GBP	31 Mar 2021 USD impact GBP
Profit or loss	205,638	1,008,756
Net asset value	205,638	1,008,756

(c) Credit Risk

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

Refer to the going concern section on page 61 where an assessment of Emirates is made.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit Risk (continued)

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

	31 Mar 2022 GBP	31 Mar 2021 GBP
Receivables (excluding prepayments)	11	11
Cash and cash equivalents	3,325,434	2,092,159
	3,325,445	2,092,170

Surplus cash is held in accounts with Barclays Bank PLC and Westpac, which have credit ratings given by Moody's of P-1 and P-1 respectively. Moody's considers the outlook of the banks current ratings to be stable.

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 agreement between the Lessee and the Company, any non-payment of the lease rentals constitutes a "**Special Termination Event**", under which the Lease terminates and the Company may either choose to sell the Asset or lease it to another party. This risk is also mitigated by the sale agreement between the Company and Emirates.

At the inception of the Lease, the Company 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 Company will encounter difficulty in realizing assets or otherwise raising funds to meet financial commitments. The Company's main financial commitments are its ongoing operating expenses and debt service to Westpac. The Company and Emirates have now reached agreement that at the lease end date, currently expected to be 16th December 2022, the Company will sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company are £25.30 million. The Directors intend to distribute the sale proceeds to Shareholders, net of any liquidation and other costs and assuming successful completion and no further or unexpected costs or events, as soon as possible following the Lease End Date. Outside of short term operational liabilities and liquidation costs the Company does not expect to have any significant financial commitments following the sale of the Asset.

Ultimate responsibility for liquidity risk management rests with the Board, which established an appropriate liquidity management framework at the incorporation of the Company, through the timings of lease rentals and loan repayments. The Company 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 FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Liquidity Risk (continued)

The table below details the residual contractual maturities of financial liabilities, including estimated interest payments. The amounts below are contractual undiscounted cash flows, including both principal and interest payments, and will not agree directly to the amounts recognised in the statement of financial position.

31 Mar 2022	1-3 months GBP	3-12 months GBP	1-2 years GBP	2-5 years GBP	Over 5 years GBP
Financial liabilities					
Payables – due within one year	65,079	–	–	–	–
Loans payable	860,180	1,720,359	–		–
	925,259	1,720,359	–	–	–

31 Mar 2021	1-3 months GBP	3-12 months GBP	1-2 years GBP	2-5 years GBP	Over 5 years GBP
Financial liabilities					
Payables – due within one year	53,405	–	–	–	–
Loans payable	819,626	2,459,778	2,459,778	–	–
	873,031	2,459,778	2,459,778	–	–

(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 Company.

The Company mitigates interest rate risk by fixing the interest rate on the Loan and the lease rentals.

The following table details the Company's exposure to interest rate risks, by interest rate refinancing period:

31 Mar 2022	Variable interest GBP	Fixed interest GBP	Non-interest Bearing GBP	Total GBP
Financial assets				
Receivables (excluding prepayments)	–	–	11	11
Cash and cash equivalents	3,325,434	–	–	3,325,434
Total financial assets	3,325,434	–	11	3,325,445
Financial liabilities				
Payables	–	–	65,079	65,079
Loans payable	–	2,515,596	–	2,515,596
Total financial liabilities	–	2,515,596	65,079	2,580,675
Total interest sensitivity gap	3,325,434	2,515,596		

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Interest Rate Risk (continued)

31 Mar 2021	Variable interest GBP	Fixed interest GBP	Non-interest Bearing GBP	Total GBP
Financial assets				
Receivables (excluding prepayments	–	–	11	11
Cash and cash equivalents	2,092,159	–	–	2,092,159
Total financial assets	2,092,159	–	11	2,092,170
Financial liabilities				
Payables	–	–	53,405	53,405
Loans payable	–	5,444,248	–	5,444,248
Total financial liabilities	–	5,444,248	53,405	5,497,653
Total interest sensitivity gap	2,092 159	5,444,248		

If interest rates had been 250 basis points (31 March 2021: 50 basis points) higher throughout the year and all other variables were held constant, the Company's profit for the year and net assets attributable to Shareholders as at 31 March 2022 would have been £83,136 (31 March 2021: £10,461) 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 2021:50 basis points) lower and all other variables were held constant, the Company's profit for the year and net assets attributable to Shareholders as at 31 March 2022 would have been £83,136 (31 March 2021: £10,461) lower due to an decrease in the amount of interest receivable on the bank balances.

20 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. The table below excludes non-cash flows arising from the amortisation of associated costs (see note 15).

	31 Mar 2022 GBP	31 Mar 2021 GBP
Opening Balance	5,444,248	15,620,114
Cash flows paid – capital	(3,098,766)	(9,132,742)
Cash flows paid – interest	(236,052)	(577,143)
Non-cash flows		
– Interest accrued	237,588	578,184
– Effects of foreign exchange	168,578	(1,044,165)
Closing Balance	2,515,596	5,444,248

21 ULTIMATE CONTROLLING PARTY

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

22 RELATED PARTY TRANSACTIONS AND MATERIAL CONTRACTS

Significant contracts who provide key management personnel to the reporting entity

Doric is the Company's Asset Manager.

Under the Asset Management Agreement, the Company pays Doric a management and advisory fee of £250,000 per annum (adjusted annually for inflation from 2012 onwards, at 2.25 percent. per annum), payable quarterly in arrears.

During the year, the Company incurred £320,109 (31 March 2021: £313,048) of expenses with Doric of which £314,058 (31 March 2021: £307,147) related to asset management fees of as shown in note 5, and £6,051 (31 March 2021: £5,901) was liaison agent fees. At 31 March 2022, £nil (31 March 2021: £nil) was owing to this related party

Nimrod is the Company's Corporate and Shareholder Advisor.

During the year, the Company incurred £125,623 for corporate and advisor fees and £nil for reimbursed expenses (31 March 2021: £122,859 for corporate and advisor fees and £1,615 for reimbursed expenses) of expenses with Nimrod. As at 31 March 2022, £nil (31 March 2021: £nil) was owing to this related party.

Significant contracts

JTC Registrars Limited is the Company's registrar, transfer agent and paying agent.

During the year, the Company incurred £13,186 (31 March 2021: £10,187) of expenses with JTC Registrars as shown in note 5. As at 31 March 2022, £804 (31 March 2021: £737) was owing to this related party.

JTC Fund Solutions (Guernsey) Limited is the Company's Company Secretary and Administrator.

During the year, the Company incurred £58,868 (31 March 2021: £59,503) of expenses with JTC Fund Solutions (Guernsey) Limited as shown in note 5. As at 31 March 2022, £6,367(31 March 2021: £5,805) was owing to this related party.

Related parties

The Board are considered to be key management personnel. For details regarding the directors remuneration please refer to note 6. Shares held by them are disclosed on page 23 in the directors report.

23 SUBSEQUENT EVENTS

On 12 April 2022, a further dividend of 2.25 pence per Share was declared and this was paid on 30 April 2022.

On 10 May 2022 an extraordinary general meeting was held by the Company. It was resolved to amend the Company's articles of incorporation to change the date by which an ordinary resolution, proposing that the Company proceed to an orderly wind-up at the end of the term of the lease entered into between the Company and Emirates Airline, is required to be put to Shareholders. The Administrative Shares wereas also redeemed and cancelled on 10 May 2022.

On 14 July 2022, a further dividend of 2.25 pence per Share was declared and this was paid on 29 July 2022.

As announced on 15 July 2022, the Company and Emirates have now reached agreement that at the lease end date, currently expected to be 16th December 2022, the Company will sell the Asset to Emirates. The sale proceeds to be paid by Emirates to the Company are £25.30 million. Until the lease end date, the Company and the operating lease will continue as contracted.

No further subsequent events to note.

KEY ADVISERS AND CONTACT INFORMATION

KEY INFORMATION

Exchange:	Specialist Fund Segment of the London Stock Exchange's Main Market
Ticker:	DNA
Listing Date:	13 December 2010
Financial Year End:	31 March
Base Currency:	Pound Sterling
ISIN:	GG00B4MF3899
SEDOL:	B4MF389
LEI:	2138009FPM7EH4WDS168
Country of Incorporation:	Guernsey
Registration number:	52484

MANAGEMENT AND ADMINISTRATION

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Company Secretary and Administrator
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Lease and Debt Arranger
Doric Asset Finance GmbH & Co. KG
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