Doric Nimrod Air One Limited

Half-Yearly Financial Report

For the period from 1 April 2019 to 30 September 2019

CONTENTS

Page

SUMMARY INFORMATION

Listing	Specialist Fund Segment of the London Stock Exchange's Main Market
Ticker	DNA
Share Price	88.5p (as at 30 September 2019) 83.5p (as at 19 November 2019)
Market Capitalisation	GBP 35.45 million (as at 19 November 2019)
Current/Future Anticipated Dividend	Current dividends are 2.25p per quarter per share (9p per annum) and it is anticipated this will continue until the aircraft lease terminates in 2022.
Dividend Payment Dates	April, July, October, January
Currency	Sterling
Launch Date/Price	13 December 2010 / 100p
Incorporation and Domicile	Guernsey
Aircraft Registration Number (Lease Expiry Date)	A6-EDC (16 December 2022)
Asset Manager	Doric GmbH
Corporate and Shareholder Advisor	Nimrod Capital LLP
Administrator	JTC Fund Solutions (Guernsey) Limited
Auditor	Deloitte LLP
Market Makers	finnCap Ltd, Investec Bank, Jefferies International Ltd, Numis Securities Ltd, Shore Capital Ltd, Winterflood Securities Ltd
SEDOL, ISIN, LEI	B4MF389, GG00B4MF3899, 2138009FPM7EH4WDS168
Year End	31 March
Stocks & Shares ISA	Eligible
Website	www.dnairone.com

COMPANY OVERVIEW

Doric Nimrod Air One Limited (LSE Ticker: DNA) ("**DNA**" or the "**Company**") is a Guernsey company incorporated on 8 October 2010. Its shares were admitted to trading on the Specialist Fund Segment ("**SFS**") of the London Stock Exchange's Main Market ("**LSE**") on 13 December 2010.

The Company's total issued share capital currently consists of 42,450,000 ordinary preference shares (the "**Shares**") which were admitted to trading at an issue price of 100 pence per Share. As at 19 November 2019, the latest practicable date prior to publication of this report, the Shares were trading at 83.5 pence per Share.

Investment Objectives and Policy

The Company's investment objective is to obtain income returns and a capital return for its shareholders (the "**Shareholders**") by acquiring, leasing and then selling a single aircraft. The Company purchased one Airbus A380 ("**A380**") aircraft, manufacturer's serial number 016 (the "**Asset**" or the "**Aircraft**") in December 2010 for $179 million, which it leased (the "**Lease**") for twelve years to Emirates Airline ("**Emirates**"), the national carrier owned by The Investment Corporation of Dubai based in Dubai, United Arab Emirates.

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.

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

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 Companies (Guernsey) Law, 2008, as amended (the "**Law**") enabling the Directors 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 under review, and in accordance with the Distribution Policy, the Company declared two interim dividends of 2.25 pence per Share. One interim dividend of 2.25 pence per Share was declared after the reporting period. Further details of these dividend payments can be found on page 25.

Return of Capital

If and when the Company is wound up (pursuant to a Shareholder resolution, including the liquidation resolution) the Company intends to return to Shareholders the net capital proceeds upon the eventual sale of the Asset, subject to compliance with the Company's Articles of Incorporation (the "**Articles**") and the applicable laws (including any applicable requirements of the solvency test contained therein).

Liquidation Resolution

Although the Company does not have a fixed life, the Articles require that the Directors convene a general meeting of the Company six months before the end of the term of the Lease where an ordinary resolution will be proposed that the Company proceed to an orderly wind-up at the end of the term of the

Lease and the Directors will consider (and if necessary, propose to Shareholders) alternatives for the future of the Company, including re-leasing the Asset, or selling the Asset and reinvesting the capital received from the sale of the Asset in another aircraft.

CHAIRMAN'S STATEMENT

During the period from 1 April 2019 until 30 September 2019 (the "**Period**") Doric Nimrod Air One Limited ("**DNA1**" or the "**Company**") has declared and paid two quarterly dividends of 2.25 pence per share, as expected, equivalent to 9 pence per share per annum.

The Company's investment objective is to obtain income returns and a capital return for its shareholders (the "**Shareholders**") by acquiring, leasing and then selling a single aircraft. The Company purchased the aircraft (the "**Aircraft**") in December 2010 which it leased to Emirates Airline ("**Emirates**"). A senior secured finance facility provided by Westpac, in the amount of $122 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 will be fully amortised over the term of the lease, which will 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 and all payments thus far by Emirates have been made in accordance with the terms of the lease.

Whilst I am mindful of reporting a decline in the Company's share price over the Period and year-to-date, Shareholders should be reassured that the Company's Asset continues to be well utilised and that Emirates are meeting all financial obligations on time and in full. However, sentiment and recent news flow relating to the Airbus A380 appears to be persisting as a headwind. The Board is aware that the market is not currently balanced as between buyers and sellers nor between ongoing users and those that are likely to or have announced that they will discontinue use of the aircraft. The situation is expected to continue to be fluid and will depend on a number of factors including the position of manufacturer deliveries of new widebody aircraft to airlines, including Emirates, and passenger traffic generally. The Board and its advisors continue to monitor the situation and as part of the lease arrangements are in regular contact with the airline. As reported in my statement accompanying the most recent annual financial report the announcement by Airbus of the cessation of production of new A380s has no direct impact on the Company's leases nor its ability to pay targeted distributions. Furthermore, the Company's debt structure is such that all loan liabilities will be fully paid off at the end of the lease (subject only to the continued solvency of Emirates) at which point the Aircraft will be unencumbered. Recent comments by Emirates with regard to the A380 continue to be supportive in many respects but, in the absence of concrete evidence, the Company and its asset manager, Doric GmbH ("**Doric**"), are somewhat constrained in their ability to report more positive developments at this time. While the Company's lease expiry does not fall due for over three years (December 2022) Doric has been and will continue to be in regular dialogue with Emirates about their future fleet planning requirements. Further details on the A380 and Emirates can be found in the Asset Manager's Report.

Doric continues to monitor the lease and to report regularly to the Board. Nimrod Capital LLP ("**Nimrod**"), the Company's Corporate and Shareholder Advisor, continues to liaise between the Board and Shareholders, and also communicates with Shareholders regularly regarding relevant news flow and the Company's financial statements and quarterly fact sheets.

In economic reality and in cash flow terms, the Company has performed well, and as expected. However, the financial statements do not, in the Board's view, properly convey this economic reality due to the accounting treatments for foreign exchange, rental income and finance costs, as required by International Financial Reporting Standards ("**IFRS**").

IFRS, with which the Company is fully compliant, requires that transactions denominated in currencies other than the presentation currency (including, most importantly, the cost of the Aircraft) are translated into the presentation currency at the exchange rate ruling at the date of the transaction whilst monetary items (principally the outstanding borrowings) are translated at the rate prevailing on the reporting date. The result is that the figures sometimes show very large mismatches which are reported as unrealised foreign exchange differences.

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 make loan repayments due which are likewise denominated in US dollars. Furthermore, the 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.

In addition to this, lease rental income receivable is credited evenly to the Statement of Comprehensive Income over the planned life of the lease. Conversely, the methodology for accounting for interest cost means that the proportion of the loan repayments which is treated as interest, and is debited to the Statement of Comprehensive Income, varies over the course of the loan with a higher proportion of interest expense recognised in earlier periods, so that the differential between rental income and interest cost (as reported in the Statement of Comprehensive Income) reduces. In reality however, the amount of rental income is fixed so as to closely match the interest and principal components of each loan repayment instalment and allow for payments of operating costs and dividends.

Suzie Procter and Andreas Tautscher were appointed as independent, non-executive directors of the Company on 19 August 2019. The Board are pleased that both Suzie and Andreas have agreed to join the Board. Suzie and Andreas bring significant knowledge and expertise from their respective backgrounds in asset management and banking and from having served on investment company boards. Further, bringing diversity and new perspectives to the Board, and combining these with the continuity provided by its existing directors, should prove valuable to the Company and its shareholders.

The Board encourages Shareholders to read the Company's quarterly fact sheets which we believe provide a great deal of interesting information and we hope these regular reports, in addition to the communication you receive from Nimrod, are useful and informative. We welcome Shareholder engagement and feedback and encourage you to contact Nimrod to request a meeting or relay your feedback.

On behalf of the Board, I would like to thank our service providers for all their help and, most importantly, Shareholders for their continuing support of the Company. I look forward to keeping all Shareholders up to date with further progress.

Charles Wilkinson

Chairman

21 November 2019

ASSET MANAGER'S REPORT

At the request of the Directors of the Company, this commentary has been provided by the Asset Manager of the Company.

1. The Doric Nimrod Air One Airbus A380

The Airbus A380 is registered in the United Arab Emirates under the registration mark A6-EDC. For the period from original delivery of the aircraft to Emirates in November 2008 until the end of September 2019, a total of 5,748 flight cycles were logged. Total flight hours were 47,190. This equates to an average flight duration of around eight hours and 13 minutes.

The A380 owned by the Company recently visited Athens, Dusseldorf, Melbourne, and Osaka.

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.

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

Inspections

Doric, the asset manager, conducted a records audit of the aircraft in April 2019. The results were in compliance with the provisions of the lease agreement.

2. Market Overview

According to the International Air Transport Association ("**IATA**"), industry-wide passenger traffic, measured in global revenue passenger kilometres ("**RPKs**"), grew at a rate of 4.7% between January and July 2019 against the same period in the year before. Growth in RPK has been running below the long-term average rate of 5.5% and IATA expects an annual growth of 5.0% for this year, largely due to declining growth in the Asia Pacific region. IATA notes that this slower growth trend is likely to continue against the backdrop of weaker growth in several large economies and a pick-up in global risks.

Industry-wide capacity, measured in available seat kilometres ("**ASKs**"), increased by 4.1% between January and July 2019 versus the first seven months of the previous year, resulting in a 0.5 percentage point increase in the worldwide passenger load factor ("**PLF**") to 82.6%. So far in 2019, all regions have recorded modest capacity growth and high load factors with July's PLF of 85.7%, a new all-time high for any month of the year.

Passenger traffic in the Middle East increased by 1.5% between January and July 2019 against the same period in the previous year. Capacity grew by 0.7%, which resulted in a 0.7 percentage point increase in PLF to 76.0%. IATA's seasonally-adjusted data show a clear levelling off in passenger traffic volumes since the first half of 2018. This is attributable to the weakness in global trade, volatile oil prices and heightened geopolitical tensions.

European-based operators continue to be the top performers in overall market demand so far in 2019, as RPKs increased by 5.6% compared to the same period in the previous year. Latin America ranked second once again with 5.2% followed closely by the Asia Pacific region with 5.1%. Africa experienced an increase of 4.9% while North America saw positive growth at 4.0%.

3. Lessee – Emirates Key Financials

In the 2018/19 financial year ending on 31 March 2019, Emirates increased revenue by 6% to AED98 billion (USD26.7 billion) compared to the previous financial year. However, as operating costs rose by 8%, Emirates' net profit fell nearly 70% compared to last year to AED871 million (USD237.3 million). The decrease in profit was attributed to higher fuel prices, strong competition, and unfavourable foreign exchange effects.

Emirates overall passenger traffic grew marginally during the 2018/19 financial year with the airline carrying 58.6 million passengers. Passenger traffic, measured in RPKs, increased by 2.7%, while capacity, measured in ASKs, grew by 3.6%. This resulted in a PLF of 76.8% compared to last year's 77.5%.

The rise in total operating costs was largely due to increasing fuel prices, which grew 22% over the financial year. This came on top of the 15% increase in fuel prices during the previous year. Fuel continued to be the largest cost component, making up 32% of the airline's total operating costs. Additionally, Emirates saw an AED572 million (USD155.9 million) negative impact on its financial results due to the strengthening of the US Dollar against many revenue generating currencies.

As of 31 March 2019, Emirates' balance sheet amounted to AED127.4 billion (USD34.7 billion), largely flat compared to the end of the previous financial year. Total equity increased marginally by 1.9% to AED37.7 billion (USD10.3 billion). The equity ratio remained stable at 29.6%. The airline's cash balance amounted to AED17.0 billion (USD4.6 billion) at the end of the financial year, down by AED3.4 billion (USD921.8 million) compared to the end of the previous financial year.

In the 2018/19 financial year, Emirates received 13 new aircraft – seven A380s and six Boeing 777-300ERs – and retired 11 older aircraft, bringing its fleet total to 270 as of 31 March 2019, including 12 freighters. The fleet roll-over resulted in an average fleet age of 6.1 years. In February 2019, Emirates signed a heads of agreement with Airbus to order 40 A330neos and 30 A350-900s to be delivered from 2021 and 2024 respectively. At the same time it adjusted its A380 order book position and will receive 14 more A380s from 2019 until the end of 2021, taking the total number of A380s delivered to Emirates to 123 aircraft. Emirates' latest report, however, omitted the USD 15 billion agreement for 40 Boeing 787-10 from the 2017 Dubai Air Show, which had previously been included in its 2017/18 financial report.

Emirates' half-year results for 2019/20 are expected to be released in November 2019.

According to Tim Clark, the airline's president, uncertainty over the status of key widebody programmes is preventing Emirates from revamping its orders with Airbus and Boeing. Delays in Boeing's 777X programme with Emirates as launch customer have prevented the airline from entering into discussions around contract adjustments or introducing new aircraft to existing deals. Additionally, Emirates has delayed the firming up of its deal for A330neos and A350s, both of which are exclusively powered by Rolls-Royce, due to concerns about the engines' ability to meet its specific performance requirements. Setbacks in Rolls-Royce's programmes have led Emirates to demand definitive guarantees for trouble-free performance "from day one" before the airline will commit to any further orders.

Weeks before Emirates concluded the first six months of its 2019/20 finanical year ending on 30 September 2019 Tim Clark provided some guidance on the expected financial results: "I'm pleased with our performance to date." At the same time he sees "difficulties" on multiple fronts including demand issues in South America with the collapsing peso in Argentina, challenges in Asia with the unrest in Hong Kong and the Brexit discussions in Europe. Emirates had also to manage the closure of one of its two runways at the airline's Dubai hub due to maintenance for a period of six weeks. Clark was in particular pleased with the operation to London, Emirates' strongest A380 destination outside its Dubai hub, reporting a 93% load factor on the nine daily A380 flights the airline runs out of London Heathrow and London Gatwick. The latter airport is serviced by A380s with a 615 seat high-density configuration.

Source: Bloomberg, Cirium

4. Aircraft – A380

As of mid-September 2019, Emirates operated a fleet of 108 A380s, which currently serve 52 destinations within its global network via its hub in Dubai. A380 destinations include: Amsterdam, Athens, Auckland, Bangkok, Barcelona, Beijing, Birmingham, Brisbane, Casablanca, Christchurch, Copenhagen, Dusseldorf, Frankfurt, Guangzhou, Hamburg, Hong Kong, Houston, Johannesburg, Kuala Lumpur, Kuwait, London Gatwick, London Heathrow, Los Angeles, Madrid, Manchester, Mauritius, Melbourne, Milan, Moscow, Mumbai, Munich, Muscat, New York JFK, Nice, Osaka, Paris, Perth, Prague, Riyadh, Rome, San Francisco, Sao Paulo, Seoul, Shanghai, Singapore, Sydney, Taipei, Tokyo Narita, Toronto, Vienna, Washington, and Zurich.

As of mid-September 2019, the global A380 fleet consisted of 231 planes in commercial service. The fourteen operators are Emirates (108), Singapore Airlines (19), Deutsche Lufthansa (14), Qantas (12), British Airways (12), Korean Air Lines (10), Etihad Airways (10), Air France (10), Qatar Airways (10), Malaysia Airlines (6), Thai Airways (6), Asiana Airlines (6), China Southern Airlines (5), All Nippon

Airways (2) and Hi Fly (1). Another six aircraft are listed as in storage, including four from Emirates, which were parked at Dubai-World Central International airport.

During the period under review the first two A380 part-outs have been initiated by Dr Peters Group, which estimates USD 45 million in revenue per aircraft from component sales alone due to the demand for parts from existing A380 operators preparing for upcoming maintenance events. Dr Peters estimates a total revenue as high as USD 80 million per aircraft. The Rolls-Royce Trent 900 engines are currently leased to Rolls-Royce through 2020, after which Dr Peters intends to sell the engines.

Since 1 July, Emirates has been operating its shortest A380 route at just 340km (184nm). Twice-daily flights between Dubai and Oman’s capital Muscat with A380s replacing the Boeing 777-300ERs, which served the route before. The announcement came a month after the launch of A380s operations on another short route between Dubai and the Saudi Arabian capital Riyadh (870km, 470nm). Emirates’ shortest regular route for the A380 was previously Dubai-Kuwait, which covers a distance of roughly 850km (460nm). Emirates stated, "The new A380 services to Muscat demonstrate the airline's agile approach to fleet deployment and its commitment to providing an enhanced on-board experience for its passengers".

In July, Air France announced that it intends to retire its entire Airbus A380 fleet by 2022 and is studying options to replace the double-deck type with twinjets. The airline had previously announced plans to retire at least three of its 10 A380s, but has now approved "in principle" the retirement of the remaining aircraft. Five of the aircraft are owned by Air France, while the rest are on operating leases.

At the end of July, Flynas announced that it operated its first Haj pilgrims flight on A380s wet-leased from Malaysia Airlines. The Saudi carrier anticipates transporting 200,000 pilgrims from 17 countries.

In September, the Portuguese wet-lease operator Hi Fly confirmed its plans to acquire additional second-hand A380 aircraft. Chief executive Paulo Mirpuri stated “as more A380s become available, we will be taking more aircraft", further adding that the market would "say how many". The operator’s current A380 has mainly been used for transatlantic flights, but has also been deployed on routes to South America, Indian Ocean destinations and during Operation Matterhorn involving the repatriation of Thomas Cook holiday makers back to the UK.

Also in September, Emirates’ president Tim Clark stated that the airline is conducting a review of its fleet and network structure as it plans to start a gradual retirement of the A380 from its fleet. Noting that “this aircraft will still be flying in Emirates in 2035” Clark expects Emirates’ A380 fleet to peak shortly and then stabilise at around 115 aircraft, before declining to about 90-100 by the mid-2020s. Two Emirates-owned A380s are earmarked to be withdrawn from service shortly and will serve as a spares source to meet upcoming overhaul requirements for its operational fleet. According to Tim Clark, the A380 will remain a pillar of Emirates’ fleet mix for the next 15 years. However, Emirates has dropped plans to install new first class suites on its A380 aircraft, but will introduce new premium economy seats on its A380s towards the end of next year.

Source: Bloomberg, Cirium, Gulf News

DIRECTORS

Charles Edmund Wilkinson - Chairman (Independent non-executive director)

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

Geoffrey Alan Hall (Independent non-executive director)

Geoffrey Hall has extensive experience in investment 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 Chairman of Doric Nimrod Air Two Limited and a director of Doric Nimrod Air Three Limited.

Geoffrey earned his masters degree in Geography at the University of London. He is an associate of the CFA Society of the UK and is resident in the United Kingdom.

John Le Prevost (Independent non-executive director)

John Le Prevost was the Chief Executive Officer of Anson Group Limited and Chairman of Anson Registrars Limited (the Company's Registrar). He has spent over 30 years working in offshore trusts and investment business during which time he was Managing Director of County NatWest Investment Management (Channel Islands) Limited, Royal Bank of Canada's mutual fund company in Guernsey and Republic National Bank of New York's international trust company. John is a Director of Guaranteed Investment Products I PCC Limited, Guernsey's largest protected cell company. He is a Director of a number of other companies associated with Anson Group's business as well as being a trustee of the Guernsey Sailing Trust.

John is also a director of Doric Nimrod Air Two Limited, Doric Nimrod Air Three Limited and Amedeo Air Four Plus Limited. He is resident in Guernsey.

Suzanne Elaine Procter (Independent non-executive director – appointed 19 August 2019)

Suzie Procter brings over 37 years' experience in financial markets, with specific expertise in asset management. She was previously a non-executive director of TR Property Investment Trust plc, an investment company listed on the FTSE 250 index. Her executive roles included Partner and member of the Executive Management Committee at Cantillon Capital Management LLC, Managing Director of Lazard Asset Management, Head of Institutional Sales at INVESCO Asset Management, Director and Head of Fixed Income Business at Pictet International Management Ltd and Head of Fixed Income at Midland Montagu Asset Management.

Suzie is also a director of Doric Nimrod Air Two Limited and Doric Nimrod Air Three Limited. She is resident in the United Kingdom.

Andreas Josef Tautscher (Independent non-executive director – appointed 19 August 2019)

Andreas Tautscher brings over 30 years' financial services experience. He serves as a non-executive director and member of the Audit Committee of BH Global Limited, a Guernsey closed-ended investment company whose shares are traded on the Main Market of the London Stock Exchange. He is also a director and CEO of Altair Group, 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 a director of Doric Nimrod Air Two Limited and Doric Nimrod Air Three Limited. He is resident in Guernsey.

INTERIM MANAGEMENT REPORT

A description of important events which have occurred during the period from 1 April 2019 until 30 September 2019 (the "**Period**"), 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 Chairman's Statement, Asset Manager's Report, and the Notes to the Financial Statements contained on pages 16 to 37 and are incorporated here by reference.

There were no material related party transactions which took place in the Period, other than those disclosed at note 22 of the Notes to the Financial Statements.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company for the remaining six months of the financial year are unchanged from those disclosed in the Company's Annual Financial Report for the year ended 31 March 2019.

Going Concern

The Company's principal activities are set out within the Company Overview on page 2 to 3. The financial position of the Company is set out on page 13. 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 exposures to credit risk and liquidity risk.

The loan interest rate has been fixed and the fixed rental income under the lease means that the rent should be sufficient to repay the loan and provide surplus income to pay for the Company's expenses and permit payment of dividends.

After making reasonable enquiries, and taking into account the cash flow characteristics described above, the Directors have a reasonable expectation that the Company has adequate resources to continue in its operational existence to lease maturity in December 2022 . Accordingly, they continue to adopt the going concern basis of accounting in preparing these financial statements.

Responsibility Statement

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

(a) the financial statements, prepared in accordance with International Financial Reporting Standards ("**IFRS**") give a fair, balanced and understandable view of the assets, liabilities, financial position and profits of the Company and performance of the Company; and

(b) this Interim Management Report includes or incorporates by reference:

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

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

   c. confirmation that there were no related party transactions in the Period under review that have materially affected the financial position or the performance of the Company during that Period.

Signed on behalf of the Board of Directors of the Company on 21 November 2019

Charles Wilkinson

Chairman

21 November 2019

STATEMENT OF COMPREHENSIVE INCOME
For the period from 1 April 2019 to 30 September 2019

	Notes	1 Apr 2019 to 30 Sep 2019 GBP	1 Apr 2018 to 30 Sep 2018 GBP
INCOME			
A rent income	4	5,426,194	5,021,530
B rent income	4	2,260,370	2,260,370
		7,686,564	7,281,900
EXPENSES			
Operating expenses	5	(312,921)	(312,735)
Depreciation of Asset	9	(1,901,824)	(2,560,340)
		(2,214,745)	(2,873,075)
Net profit for the period before finance costs and foreign exchange losses		5,471,819	4,408,825
Finance costs	10	(722,129)	(971,382)
Net profit for the period after finance costs before foreign exchange losses		4,749,690	3,437,443
Unrealised foreign exchange losses	7	(2,101,034)	(2,969,994)
Profit for the period		2,648,656	467,449
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		2,648,656	467,449
		Pence	**Pence**
Earnings per Ordinary Share for the period - Basic and Diluted	8	6.24	1.10

In arriving at the results for the financial period, all amounts above relate to continuing operations. The notes on pages 16 to 37 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 30 September 2019

	Notes	30 Sep 2019 GBP	31 Mar 2019 GBP
NON-CURRENT ASSETS			
Aircraft	10	81,385,419	83,287,243
CURRENT ASSETS			
Cash and cash equivalents	17	3,912,971	4,009,908
Accrued income		953,531	853,978
Receivables	13	4,368	13,582
		4,870,870	4,877,468
TOTAL ASSETS		86,256,289	88,164,711
CURRENT LIABILITIES			
Borrowings	15	11,563,919	10,603,335
Deferred income		199,108	199,108
Payables - due within one year	14	26,967	175,811
		11,789,994	10,978,254
NON-CURRENT LIABILITIES			
Borrowings	15	9,730,574	14,658,681
Deferred income		14,622,707	13,153,168
		24,353,281	27,811,849
TOTAL LIABILITIES		37,485,458	38,790,103
TOTAL NET ASSETS		50,113,014	49,374,608
EQUITY			
Share capital	16	39,016,728	39,016,728
Retained earnings		11,096,286	10,357,880
		50,113,014	49,374,608
		Pence	**Pence**
Net asset value per Ordinary Share based on 42,450,000 (Mar 2019: 42,450,000) shares in issue		118.05	116.31

The financial statements were approved by the Board of Directors and authorised for issue on 21 November 2019 and are signed on its behalf by:

Charles Wilkinson

Director

Geoffrey Hall

Director

The notes on pages 16 to 37 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the period from 1 April 2019 to 30 September 2019

	Notes	1 Apr 2019 to 30 Sep 2019 GBP	1 Apr 2018 to 30 Sep 2018 GBP
OPERATING ACTIVITIES			
Profit for the period		2,648,656	467,449
Movement in accrued and deferred income		560,284	528,896
Depreciation of Asset	10	1,901,824	2,560,340
Loan interest	10	691,769	941,022
Decrease in payables		(148,844)	(99,867)
Decrease in receivables		9,214	4,746
Amortisation of debt arrangement costs	11	30,360	30,360
Foreign exchange movement	7	2,101,034	2,969,994
NET CASH FROM OPERATING ACTIVITIES		7,794,297	7,402,940
FINANCING ACTIVITIES			
Dividends paid	8	(1,910,250)	(1,910,250)
Repayments of capital on borrowings	20	(5,440,053)	(4,760,895)
Repayments of interest on borrowings	20	(689,989)	(911,199)
NET CASH USED IN FINANCING ACTIVITIES		(8,040,292)	(7,582,344)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		4,009,908	3,984,293
Decrease in cash and cash equivalents		(245,995)	(179,404)
Effects of foreign exchange rates		149,058	157,069
CASH AND CASH EQUIVALENTS AT END OF PERIOD	17	3,912,971	3,961,958

The notes on pages 16 to 37 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the period from 1 April 2019 to 30 September 2019

	Notes	Share Capital GBP	Retained Earnings GBP	Total GBP
Balance as at 1 April 2019		39,016,728	10,357,880	49,374,608
Total Comprehensive Income for the period		-	2,648,656	2,648,656
Dividends paid	8	-	(1,910,250)	(1,910,250)
Balance as at 30 September 2019		39,016,728	11,096,286	50,113,014

	Notes	Share Capital GBP	Retained Earnings GBP	Total GBP
Balance as at 1 April 2018		39,016,728	8,630,310	47,647,038
Total Comprehensive Income for the period		-	467,449	467,449
Dividends paid	8	-	(1,910,250)	(1,910,250)
Balance as at 30 September 2018		39,016,728	7,187,509	46,204,237

The notes on pages 16 to 37 form an integral part of these financial statements.

1 GENERAL INFORMATION

Doric Nimrod Air One Limited (the "**Company**") was incorporated in Guernsey on 8 October 2010 with registered number 52484. The address of the registered office is given on page 38.

Its share capital consists of one class of Ordinary Preference Shares ("**Ordinary Shares**") and one class of Subordinated Administrative Shares ("**Administrative Shares**"). The Company's Ordinary Shares have been admitted to trading on the Specialist Fund Segment ("**SFS**") of the London Stock Exchange's Main Market (the "**LSE**").

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 Chairman's Statement on pages 4 to 5 and Interim Management Report on pages 10.

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

This report is to be read in conjunction with the annual financial report for the year ended 31 March 2019 which is prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as adopted by the EU and any public announcements made by the Company during the interim reporting period from 1 April 2019 to 30 September 2019 (the "**Period**").

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

(b) Adoption of new and revised Standards

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

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

- IFRS 16 Leases - The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. Accordingly, the Company is not required to make any adjustments on transition to IFRS 16 and accounts for its leases in accordance with IFRS 16 from the date of initial application.

2 ACCOUNTING POLICIES (continued)

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

New and Revised Standards in issue but not yet effective

At the date of approval of these financial statements there were no standards and interpretations in issue but not yet effective, which were considered to be material to the Company.

(c) Taxation

The Company has been assessed for tax at the Guernsey standard rate of 0 per cent.

(d) Share Capital

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

(e) Expenses

All expenses are accounted for on an accruals basis.

(f) Interest Income

Interest income is accounted for on an accruals basis.

(g) Foreign Currency Translation

The currency of the primary economic environment in which the Company operates (the functional currency) is Pounds Sterling (“**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.

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.

(h) 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.

(i) 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 one Airbus A380-861 aircraft (the "**Asset**" or the “**Aircraft**”).

2 ACCOUNTING POLICIES (continued)

(j) Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors believe the Company is well placed to manage its business risks successfully as the interest on the Company's bank loan (the "**Loan**") has been fixed and the fixed A and B rental income under the operating lease with Emirates (the "**Lease**") means that the rents should be sufficient to repay the Loan and provide surplus income to pay for the Company's expenses and permit payment of dividends. Accordingly, the Directors have adopted the going concern basis in preparing the financial information. The Board is not aware of any material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

(k) 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 recognized 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 recognized in profit or loss on a straight-line basis over the lease term.

(l) Property, Plant and Equipment - Aircraft

In line with IAS 16 Property Plant and Equipment, 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. Accumulated depreciation and any recognised impairment loss are deducted from cost to calculate the carrying amount of the Asset.

Depreciation is recognised so as to write off the cost of the Asset less the estimated residual value of £69.3 million (2018: £63.1 million) over the estimated useful life of the Asset of 12 years, using the straight line method. Residual values have been arrived at by taking the average amount of three independent external valuers and after taking into account disposition fees. The Directors consider that the use of future base values excluding inflation best approximates residual value as required by IAS 16 Property, Plant and Equipment.

The depreciation method reflects the pattern of benefit consumption. The residual value is reviewed annually and is an estimate of the amount the Company 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.

2 ACCOUNTING POLICIES (continued)

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

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.

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

If the recoverable amount of the Asset is estimated to be less than its carrying amount, the carrying amount of the Asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

(m) Financial instruments

A financial instrument is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are derecognised if the Company's obligations, specified in the contract, expire or are discharged or cancelled. 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;
- Fair value through other comprehensive income ("**FVOCI**"); or
- Fair value through profit or loss ("**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.

2 ACCOUNTING POLICIES (continued)

(m) Financial instruments (continued)

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.

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.

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.

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

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 and Useful Life of the Asset

As described in note 2 (l), 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 Property, Plant and Equipment 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. However, there are currently no aircraft of a similar type of sufficient age for the Directors to make a direct market comparison in making this estimation. After consulting with the Company's advisors, the Directors have concluded that a future base value (determined annually) for the Aircraft at the end of its useful life (excluding inflationary effects) best represents residual value as required by a strict interpretation of relevant accounting standards. In estimating residual value, the Directors refer to future base values (excluding inflationary effects) for the Asset obtained from three independent expert aircraft valuers.

The estimation of residual value remains subject to inherent uncertainty. If the estimate of residual value had been decreased by 20 per cent. with effect from the beginning of this period, the net profit for the Period and closing Shareholders' equity would have been decreased by approximately £1.5 million (30 Sep 2018: £1.2 million). An increase in residual value by 20 per cent. would have been an equal but opposite effect. This reflects the range of estimates of residual value that the Directors believe would be reasonable at this time. The estimated useful life of the Asset is based on the expected period for which the Company will own and lease the Asset.

Judgements

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, that it retains all the significant risks and rewards of ownership of this asset 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.

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Impairment

As described in note 2(l), an impairment loss exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use. The Directors review the carrying 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 Property, Plant and Equipment and IAS 36 Impairment of Assets.

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset (ie the income streams associated with the lease and the expected future market value of the Aircraft at the end of the lease) 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.

In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Such valuation reflects the highest and best use of the Asset given the fact that the Aircraft are held for use in a leasing business.

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

The Board together with the Asset Manager believed that it was prudent to conduct an impairment test as at the 31 March 2019 year end as the below items may result in pricing changes for the current portfolio of Aircraft:

- As further Airbus A380 aircraft reach comparable 12 year ages and exit their first lease agreements further market data may become available to Doric and the asset valuers.
- Lack of publicly available secondary market data for the specific aircraft.
- Changing technologies, market innovation and changes to key production programs as well as the success and / or failure as well as the timing of new aircraft model launches.
- Information regarding Airbus cancellation of the A380 programme, creating uncertainty as to the liquidity of the future market for sale or re-lease.

The assessment was performed by comparing the net book value of the Aircraft to the higher of its respective fair value less costs to sell and value-in-use. In determining the value-in-use, the gross value of future contractual cash flows including a residual value assumption was discounted to present value, using the Company's discount rate, 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 contractual cash flows. There were no indications at 31 March 2019 that Emirates would default or that the Aircraft would not be marketable post lease. In determining the fair value less costs to sell, the current market value of the Aircraft was used, less estimated costs to dispose of the Aircraft.

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Impairment (continued)

The Asset Manager considered that 6.5 per cent. was the most appropriate discount rate 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; and
- the Aircraft are with Emirates, who is considered to have a low credit risk profile.

Based on the impairment review performed, the Directors were of the opinion that no impairment loss was required to be recognised at 31 March 2019.

In addition, these values were tested for their sensitivity to the discount rate and the residual value, the following being the two largest inputs into the calculation:

- discount rates at -1 per cent. and +1 per cent. intervals were tested on either side of the Company discount rate (6.5 per cent.); and
- a reduction of the residual value used in the calculation by 10 per cent. and 20 per cent. respectively.

The sensitivity test exhibited that the recoverable amount was greater than the net book value at the 2019 financial year end for the Aircraft, except when using an 8.5 per cent. or higher discount rate and a 20 per cent. or higher reduction in residual value, a situation the Asset Manager considers to be highly unlikely. As such, no impairment was identified.

The Board has considered the carry book value of its aircraft and discussed whether in light of recent announcements since 1 April 2019, whether an impairment review needs to be carried out again at this juncture. On the advice of its Asset Manager, the conclusion reached was that whilst it would be wise not to lay too great a reliance on the current carry book value as a measure of net asset value for investment purposes, there were still too few new data points available on which a new appraisal at this time can be justified. The Company will again be carrying out a full and thorough appraisal of residual values come the next March financial year end.

4 RENTAL INCOME

	1 Apr 2019 to 30 Sep 2019 GBP	1 Apr 2018 to 30 Sep 2018 GBP
A rent income	6,086,032	5,649,980
Revenue received but not yet earned	(659,838)	(628,450)
	5,426,194	5,021,530
B rent income	2,160,816	2,160,816
Revenue earned but not yet received	99,554	99,554
	2,260,370	2,260,370
Total rental income	7,686,564	7,281,900

4 RENTAL INCOME (continued)

Rental income is derived from the leasing of the Asset. Rent is split into A rent, which is received in US dollars ("**$**") 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.

A and B rental income receivable will decrease / increase respectively, 10 years from the start of the Lease between the Company and Emirates. An adjustment has been made to spread the actual total income receivable evenly over the term of the Lease.

5 OPERATING EXPENSES

	1 Apr 2019 to 30 Sep 2019 GBP	1 Apr 2018 to 30 Sep 2018 GBP
Corporate shareholder and advisor fee (note 22)	59,742	58,426
Asset management fee (note 22)	149,353	146,067
Liaison agency fees	5,852	5,675
Administration fees	30,934	30,930
Accountancy fees	5,692	5,575
Registrars fee (note 22)	4,802	4,454
Audit fee	11,426	11,400
Directors' remuneration (note 6)	31,154	25,000
Directors' and Officers' insurance	3,961	3,961
Legal and professional expenses	5,391	7,108
Annual fees	1,123	4,848
Other operating expenses	3,491	9,291
	312,921	312,735

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 Chairman, who receives £20,000 per annum and the Chair of Audit, who receives £18,000 per annum

7 UNREALISED FOREIGN EXCHANGE LOSSES

	1 Apr 2019 to 30 Sep 2019 GBP	1 Apr 2018 to 30 Sep 2018 GBP
Cash at bank	149,058	157,069
Deferred income	(809,702)	(839,670)
Borrowings	(1,440,390)	(2,287,393)
	(2,101,034)	(2,969,994)

8 DIVIDENDS IN RESPECT OF EQUITY SHARES

	1 Apr 2019 to 30 Sep 2019	
	GBP	**Pence per share**
First interim dividend	955,125	2.25
Second interim dividend	955,125	2.25
	1,910,250	4.50

	1 Apr 2018 to 30 Sep 2018	
	GBP	**Pence per share**
First interim dividend	955,125	2.25
Second interim dividend	955,125	2.25
	1,910,250	4.50

9 EARNINGS PER SHARE

Earnings per Share (“**EPS**”) is based on the net profit for the Period attributable to holders of Ordinary Shares in the Company (“**Shareholders**”) of £2,648,656 (30 Sep 2018: net profit for the period of £467,449) and 42,450,000 Ordinary Shares (30 Sep 2018: 42,450,000) being the weighted average number of Ordinary Shares in issue during the Period. There are no dilutive instruments and therefore basic and diluted EPS are identical.

10 PROPERTY, PLANT AND EQUIPMENT - AIRCRAFT

	Aircraft GBP
COST	
As at 1 Apr 2019	114,532,547
As at 30 Sep 2019	114,532,547
ACCUMULATED DEPRECIATION	
As at 1 Apr 2019	31,245,304
Depreciation charge for the Period	1,901,824
As at 30 Sep 2019	33,147,128
CARRYING AMOUNT	
As at 31 Mar 2019	83,287,243
As at 30 Sep 2019	81,385,419

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

The Company believes that the use of future base values excluding inflation best approximates residual value as required per IAS 16 Property, Plant and Equipment (refer to note 3). The Company is depreciating its Asset so as to ensure that the carrying value of its Asset at the termination of its Lease equals the uninflated residual dollar value determined at 31 March 2019 in accordance with the methodology set out in note 3, translated into Sterling at the exchange rate prevailing at 31 March 2019.

The Company may dispose of the Asset during the term of the Lease, but is required to meet certain conditions and needs Emirates' consent (such consent not be unreasonably withheld). If at the end of the Lease the Company makes the choice to sell the Asset rather than leasing it out again, Emirates will be given first refusal to purchase the Asset at an independently appraised value.

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

Refer to note 3 for details on the impairment review and sensitivities conducted.

11 FINANCE COSTS

	1 Apr 2019 to 30 Sep 2019 GBP	1 Apr 2018 to 30 Sep 2018 GBP
Amortisation of debt arrangement costs	30,360	30,360
Loan interest	691,769	941,022
	722,129	971,382

12 OPERATING LEASES

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

30 September 2019	Next 12 months GBP	1 to 5 years GBP	After 5 years GBP	Total GBP
Aircraft - A rental payments	12,422,549	8,466,407	-	20,888,956
Aircraft - B rental payments	4,321,632	10,921,392	-	15,243,024
	16,744,181	19,387,799	-	36,131,980

31 March 2019	Next 12 months GBP	1 to 5 years GBP	After 5 years GBP	Total GBP
Aircraft - A rental payments	11,711,566	13,837,692	-	25,549,258
Aircraft - B rental payments	4,321,632	13,082,208	-	17,403,840
	16,033,198	26,919,900	-	42,953,098

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.

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

13 RECEIVABLES

	30 Sep 2019 GBP	31 Mar 2019 GBP
Prepayments	4,357	13,571
Sundry debtors	11	11
	4,368	13,582

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

14 PAYABLES (amounts falling due within one year)

	30 Sep 2019 GBP	31 Mar 2019 GBP
Accrued administration fees	6,106	6,015
Accrued audit fee	11,425	13,710
Accrued asset manager and corporate and shareholder advisor fees	-	147,711
Other accrued expenses	9,436	8,375
	26,967	175,811

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

15 BORROWINGS

	30 Sep 2019 GBP	31 Mar 2019 GBP
Bank loan	21,488,598	25,486,481
Transaction costs	(194,105)	(224,465)
	21,294,493	25,262,016
Current portion	11,563,919	10,603,335
Non-current portion	9,730,574	14,658,681

Notwithstanding the fact that £5.4 million of capital was repaid during the Period, as per the Statement of Cash Flows, the value of the borrowings has only decreased by £4 million due to the 5.7 per cent. decrease in the Sterling/US dollar exchange rate for the period from 1 April 2019 to 30 September 2019.

15 BORROWINGS (continued)

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:

	30 Sep 2019 GBP	31 Mar 2019 GBP
Amount due for settlement within 12 months	12,497,282	11,782,056
Amount due for settlement after 12 months	10,481,169	15,772,354

The loan was arranged with Westpac Banking Corporation ("**Westpac**") for $122,000,000, runs for 12 years until December 2022, and has an effective interest rate of 5.4950 per cent., which is the same as the contractual fixed interest rate. The Loan is secured on the Asset. No breaches or defaults occurred in the Period. 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.

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 Ordinary Shares or Administrative Shares (together the "**Share Capital**").

Issued	**Subordinated Administrative Shares**	**Ordinary Shares**
Issued shares as at 30 September 2019 and as at 31 March 2019	2	42,450,000

Issued Share Capital	**GBP**
Total Share Capital as at 30 September 2019 and as at 31 March 2019	39,016,728

Members holding Ordinary Shares are 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, members 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.

16 SHARE CAPITAL (continued)

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

The Ordinary Shares are not puttable instruments as the holder does not have the right to put the Shares back to the Company for cash or another financial instrument.

17 CASH AND CASH EQUIVALENTS

	30 Sep 2019 GBP	31 Mar 2019 GBP
Cash at bank	3,912,971	4,009,908

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) Loan secured on non-current asset.

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:

	30 Sep 2019 GBP	31 Mar 2019 GBP
Financial assets		
Cash and cash equivalents	3,912,971	4,009,908
Receivables (excluding prepayments)	11	11
Financial assets at amortised cost	3,912,982	4,009,919
Financial liabilities		
Payables	26,967	175,811
Borrowings	21,294,493	25,262,016
Financial liabilities measured at amortised cost	21,321,460	25,437,827

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 review and agree 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 as a going concern while maximising the return to Shareholders through the optimisation of the debt and equity balance. 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 reviews the capital structure on a bi-annual basis.

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 period ended 30 September 2019.

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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 amortising loans. The foreign exchange exposure in relation to the Loan is thus almost entirely hedged.

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

	30 Sep 2019 GBP	31 Mar 2019 GBP
Bank loan (US dollar) - liabilities	(21,488,598)	(25,486,481)
Cash and cash equivalents (US dollar) - assets	2,451,260	2,346,211

The following table details the Company's sensitivity to a 25 per cent. (31 March 2019: 25 per cent) appreciation of Sterling against the US dollar. 25 per cent. (31 March 2019: 25 per cent.) represents the Directors' assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 25 per cent. (31 March 2019: 25 per cent.) change in foreign currency rates. A positive number below indicates an increase in profit and equity where Sterling strengthens 25 per cent. (31 March 2019: 25 per cent.) against the US dollar. For a 25 per cent. (31 March 2019: 25 per cent.) weakening of Sterling against the US dollar, there would be a comparable but opposite impact on the profit and equity.

	30 Sep 2019 USD impact GBP	31 Mar 2019 USD impact GBP
Profit or loss	3,807,467	4,628,054
Assets	(490,252)	(469,242)
Liabilities	4,297,719	5,097,296

On the eventual sale of the Asset, the Company will be subject to foreign currency risk if the sale will be made in a currency other than Sterling. Transactions in similar assets are typically priced in US dollars.

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit Risk

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

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.

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

	30 Sep 2019	31 Mar 2019
	GBP	GBP
Receivables (excluding prepayments)	11	11
Cash and cash equivalents	3,912,971	4,009,908
	3,912,982	4,009,919

Surplus cash is held in accounts with Barclays and Westpac Banking Corporation, which have credit ratings given by Moody's of A2 (positive) and Aa2 (stable) respectively.

There is a contractual credit risk arising from the possibility that the lessee may default on the lease payments. This risk is mitigated, as under the terms of the lease agreements between the lessee and the 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.

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 realising assets or otherwise raising funds to meet financial commitments. The Company's main financial commitments are its ongoing operating expenses and loan repayments to Westpac.

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

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.

30 Sep 2019	**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	26,967	-	-	-	-
Loans payable	3,124,320	9,372,961	5,883,139	4,598,031	-
	3,151,287	9,372,961	5,883,139	4,598,031	-

31 Mar 2019	**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	175,811	-	-	-	-
Loans payable	2,945,514	8,836,542	11,782,056	15,772,354	-
	3,121,325	8,836,542	11,782,056	15,772,354	-

(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.

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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

30 September 2019	Variable interest GBP	Fixed interest GBP	Non-interest Bearing GBP	Total GBP
Financial assets				
Receivables (excluding prepayments)	-	-	11	11
Cash and cash equivalents	3,912,971	-	-	3,912,971
Total financial assets	3,912,971	-	11	3,912,982
Financial liabilities				
Payables	-	-	26,967	26,967
Loans payable	-	21,488,598	-	21,488,598
Total financial liabilities	-	21,488,598	26,967	21,515,565
Total interest sensitivity gap	3,912,971	21,488,598		

31 March 2019	Variable interest GBP	Fixed interest GBP	Non-interest Bearing GBP	Total GBP
Financial assets				
Receivables (excluding prepayments)	-	-	11	11
Cash and cash equivalents	4,009,908	-	-	4,009,908
Total financial assets	4,009,908	-	11	4009,919
Financial liabilities				
Payables	-	-	175,811	175,811
Loans payable	-	25,486,481	-	25,486,481
Total financial liabilities	-	25,486,481	175,811	25,662,292
Total interest sensitivity gap	4,009,908	25,486,481		

If interest rates had been 50 basis points higher throughout the Period and all other variables were held constant, the Company's profit for the Period and net assets attributable to Shareholders as at 30 September 2019 would have been £19,565 (31 March 2019: £20,050) greater due to an increase in the amount of interest receivable on the bank balances.

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

If interest rates had been 50 basis points lower and all other variables were held constant, the Company's profit for the Period and net assets attributable to Shareholders as at 30 September 2019 would have been £19,565 (31 March 2019: £20,050) 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.

	30 Sep 2019 GBP	30 Sep 2018 GBP
Opening Balance	25,486,481	33,027,979
Cash flows paid - capital	(5,440,053)	(4,760,895)
Cash flows paid - interest	(689,989)	(911,199)
Non-cash flows		
- Interest accrued	691,769	941,022
- Effects of foreign exchange	1,440,390	2,287,393
Closing Balance	21,488,598	30,584,300

21 ULTIMATE CONTROLLING PARTY

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

22 RELATED PARTIES

Nimrod Capital LLP ("**Nimrod**") is the Company's Corporate and Shareholder Advisor. The Company pays to Nimrod for its services as Corporate and Shareholder Advisor a fee of £100,000 per annum (adjusted annually for inflation from 2012 onwards at 2.25 per cent. per annum) payable quarterly in arrears.

During the Period, the Company incurred £59,742 (30 September 2018: £58,426) of fees and expenses with Nimrod, of which £nil (31 March 2019: £nil) was outstanding to this related party at 30 September 2019.

Doric GmbH ("**Doric**") is the Company's Asset Manager. The Company pays Doric a management and advisory fee of £250,000 per annum (adjusted annually for inflation from 2012 onwards, at 2.25 per cent. per annum), payable quarterly in arrears.

During the Period, the Company incurred £155,205 (30 September 2018: £146,067) of fee and expenses with Doric, which consisted of asset management fees of £149,353 (30 September 2018: £146,067) and liaison agency fees of £5,852 (30 September 2018: £5,675). £nil (31 March 2019: £147,711) was outstanding and £1,815 (31 March 2019: £7,666) was prepaid to this related party at 30 September 2019.

John Le Prevost is a director of Anson Registrars Limited ("**Anson**"), the Company's registrar, transfer agent and paying agent. During the Period £4,802 (30 September 2018: £4,454) of costs were incurred with Anson, of which £142 (31 March 2019: £534) was outstanding as at 30 September 2019.

23 SUBSEQUENT EVENTS

On 10 October 2019, a further dividend of 2.25 pence per Ordinary Share was declared and this was paid on 31 October 2019.

ADVISORS AND CONTACT INFORMATION

KEY INFORMATION
Exchange: Specialist Fund Segment of the London Stock Exchange's Main Market
Ticker: DNA1
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

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