DORIC NIMROD AIR ONE LIMITED

Half-yearly Financial Report

From 1 April 2012 to 30 September 2012 (Unaudited)

CONTENTS

SUMMARY INFORMATION

Company Overview
Doric Nimrod Air One Limited (LSE:DNA) ("DNA" or the "Company") is a Guernsey company incorporated on 8 October 2010, and admitted to trading on the Specialist Fund Market of the London Stock Exchange and the Channel Islands Stock Exchange on 13 December 2010.

The Company's total issued share capital currently consists of 42,450,000 Ordinary Preference Shares which were admitted to trading at an issue price of 100 pence per Ordinary Preference Shares. As at 20 November 2012, the latest practicable date prior to publication of this report, the Shares are trading at 126.5 pence per Ordinary Preference Shares.

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 has purchased one Airbus A380-861 aircraft, manufacturer's serial number 016 (the "Asset") which has, initially, been leased to Emirates Airlines, the national carrier owned by the Investment Corporation of Dubai, based in Dubai, United Arab Emirates.

The Company aims to provide Shareholders with an attractive total return comprising income, from distributions through the period of the Company's ownership of the Asset, and capital, upon the sale of the Asset.

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

During the period under review from 1 April 2012 to 30 September 2012 (the "Period") and in line with the Distribution policy DNA declared two interim dividends of 2.25 pence per Ordinary Preference Share and one dividend of 2.25 pence per Ordinary Preference Share after the reporting Period.

Future dividend payments are anticipated to be declared and paid on a quarterly cycle and as per the Prospectus are targeted at 2.25 pence per Ordinary Preference Share per quarter subject to compliance with applicable laws and regulations.

CHAIRMAN'S STATEMENT

I am very pleased to present Shareholders with the Company's half yearly financial report, covering the Period from 1 April 2012 until 30 September 2012.

Notwithstanding the extreme turbulence and uncertainty within the global economy, and international markets, I am glad to report that the Company has performed well. During the Period, and in line with the targeted distribution policy outlined in the Company's Prospectus, the Company has declared two interim dividends of 2.25p per Ordinary Preference Share, and two further dividends of 2.25 pence per Ordinary Preference Share after the reporting Period. Future dividend payments are anticipated to be declared and paid on a quarterly basis.

The Company's 42,450,000 shares were admitted to trading on the Specialist Fund Market of the London Stock Exchange plc and listed on the Channel Islands Stock Exchange on 13 December 2010. 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 Airbus A380-861, aircraft manufacturer's serial number 016, which it leased to Emirates Airlines, the national carrier owned by the Investment Corporation of Dubai, based in Dubai, United Arab Emirates.

A senior secured finance facility provided by Westpac, in the amount of $122m provided the monies along with the placing proceeds for the acquisition of the aircraft. On the purchase of the plane, the Company entered into a lease with Emirates for an initial term of 12 years, with fixed lease rentals for the duration. The debt portion of the funding will be fully amortised over the 12-year term of the lease, with the aim of leaving the aircraft unencumbered on the conclusion of the lease.

Both the aircraft and the lessee performed well over the Period. Despite the turmoil in the global economy, passenger air traffic grew, although at a lower rate than in the recent past. Emirates continues to report strong performance, greatly aided by the airline's ability to adjust flight schedules swiftly, and redeploy aircraft about the network, thus optimising revenue, albeit that profit figures were adversely impacted by the high cost of jet fuel.

The lease payments received by the Company from Emirates cover repayment of the debt, as well as income to pay dividends to Shareholders. Emirates bears all costs (including maintenance, repair and insurance) relating to the aircraft, during the lifetime of the lease. The aircraft is equipped with four Engine Alliance 7200 power plants. The Company's Asset Manager, Doric GmbH, continues to monitor the lease and reports regularly to the Board. Nimrod Capital LLP, the Company's Placing and Corporate and Shareholder Advisory Agent, continues to liaise between the Board and Shareholders, which includes distribution of quarterly factsheets and the interim management statements.

On behalf of the Board, I would like to thank all Shareholders for their continued support of the Company.

Charles Wilkinson
Chairman

INTERIM MANAGEMENT REPORT

from 1 April 2012 to 30 September 2012 (the "Period")

A description of important events that have incurred during the Period, their impact on the performance of the Company as shown in the financial statements and description on the principle risks and uncertainties of the remaining six months of the annual financial year is given within the Chairman's Statement and the Notes to the Financial Statements contained on pages 14 to 28 and is incorporated here by reference.

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

Going Concern

The Company's principal activities are set out within the Company Overview on page 1. The financial position of the Company is set out on pages 10 to 13. In addition, Note 18 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 Operating 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 as described above the Directors have a reasonable expectation that the Company has adequate resources to continue in its operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing these annual financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Responsibility Statements

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

(a) The financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss 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 that have materially affected the financial position or the performance of the Company during that Period.

Charles Wilkinson
Chairman

Norbert Bannon
Chairman of Audit Committee

DIRECTORS

Charles Edmund Wilkinson (Chairman)
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. He is currently Chairman of the Audit Committee of Doric Nimrod Air Two Limited. He is also a Director of Premier Energy and Water Trust Plc., a listed Investment Trust and Landore Resources Ltd, a Guernsey based mining exploration Company.

Norbert Bannon (Chairman of the Audit Committee)
Norbert Bannon is a Director of the Irish and UK subsidiaries of a major Canadian bank. He has been approved by the Central Bank of Ireland and by the UK's Financial Services Authority. He is the Chairman of two large pension schemes and is Chairman of Doric Nimrod Air Two Limited. He is a Director of and Advisor to a number of financial Companies in the UK and Ireland.

He has extensive experience in international finance having been CEO of banks in Singapore and New York. He was Managing Director of Ireland's largest venture capital company and was Finance Director and Chief Risk Officer of AIB Capital Markets Plc. which he left in 2002. He has worked as consultant to a number of international companies.

He earned a degree in economics from Queens University, studied at Stanford Graduate School of Business and is a Chartered Accountant.

Geoffrey Alan Hall
Geoffrey Hall has extensive experience in Investment Management. He has previously been Chief Investment Officer at Allianz Insurance Plc., a major UK insurance company, as an Investment Manager at HSBC Asset Management, County Investment Management, and British Railways Pension Funds. He is currently an Investment Consultant to Cumberland Place Investment Management, and also Chairman of WHEB Asset Management, a major firm in sustainability investing.

Geoffrey earned his masters degree in geography at the University of London. He is an associate of the Society of Investment Professionals (the CFA Society of the UK).

ASSET MANAGER'S REPORT

1. The Asset

The Airbus A380 with manufacturer's serial number (MSN) 016 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 August 2012, a total of 2,038 flight cycles were registered. Total flight hours were 16,760. This is equal to an average flight duration of approximately eight hours.

Amongst its 184 aircraft in operation as of August 2012, Emirates has a fleet of 23 A380s which currently serve 19 destinations worldwide: Amsterdam, Auckland, Bangkok, Beijing, Hong Kong, Jeddah, Johannesburg, Kuala Lumpur, London Heathrow, Manchester, Munich, New York JFK, Paris, Rome, Seoul, Shanghai, Sydney, Toronto and Tokyo. In the last quarter of 2012 Emirates is planning to launch A380 flights to Melbourne, Moscow, and Singapore. The carrier is the largest A380 operator in the world and has now carried more than 10 million passengers and has flown more than 150 million kilometers since the double decker was introduced to its fleet in August 2008. Emirates has an additional 67 of this model on firm order for delivery through 2017.

Recent visits of the A380 owned by the Company (MSN 016) included Auckland, Jeddah, Tokyo, Manchester and Sydney during the third quarter of 2012.

Maintenance Status

Emirates maintains its A380 aircraft fleet based on a maintenance program according to which minor maintenance checks are performed every 1,500 flight hours and more significant maintenance checks (so called C checks) every 24 months or 12,000 flight hours, whichever comes first. The next C check is expected to fall due in the last quarter of 2012. Emirates bears all costs (including maintenance, repair and insurance) relating to the aircraft during the lifetime of the lease.

Inspections

The next inspection of the aircraft by the Asset Manager is scheduled during the aforementioned C check later in 2012.

Hairline Cracks

Since late 2011, hairline cracks have been discovered in a small number of L-shaped metal brackets within the wing structure of some A380s. There are about 2,000 brackets (known as rib-skin attachments or wing rib feet) in each wing, which attach the wing's upper and lower skins to ribs running throughout the wing. The aircraft remain fully airworthy and pose no risk to flight safety as affirmed by European Aviation Safety Agency (EASA) and Airbus.

Since the occurrence of the issue, Airbus has traced the source of the cracking in A380 wing structures to the choice of a less flexible aluminum alloy used to make the wing brackets, stresses involved during assembly when fitting portions of the wing together plus thermal fatigue during flight at very low temperatures.

In February 2012, EASA issued an updated airworthiness directive (AD) in relation to the wing rib feet cracks, which called for all A380s in operation to be checked for cracks in the brackets that attach to the wing's ribs before reaching 1,300 flights. The aircraft owned by the Company (MSN 016) was inspected in March 2012. The cracks detected on this occasion were repaired. The aircraft has since returned to normal commercial service.

In late June EASA issued a new AD pertaining to wing rib feet cracks on the Airbus A380 aircraft, which specified repeat inspections of A380 aircraft at defined intervals. This will allow A380 aircraft to continue flying until a permanent fix for wing rib feet cracking has been incorporated in the aircraft. The length of the applicable inspection interval is determined by the location within the wing where previous wing rib feet repairs have been made and the type of repair that has been previously made. Depending on this, an inspection interval of between 560 and 1,200 flight cycles is required. After performing this repeat inspection, the follow-on repeat inspections shall have an inspection interval of 560 flight cycles.

ASSET MANAGER'S REPORT (continued)

Airbus has developed a permanent fix to wing rib feet cracking, which is currently being certified by EASA. A retrofit modification will be installed on in-service aircraft, while a production modification will be applied for new aircraft. The retrofit is expected to become available in late 2012/early 2013. A further AD is anticipated which will instruct A380 operators to implement the retrofit. At that time, the retrofit will be installed in existing A380s. New aircraft with the production modification are expected to be delivered beginning in early 2014. The permanent fix developed by Airbus will preserve the full design service life of the A380 aircraft.

Airbus has confirmed that it may take up to 8 weeks to incorporate the permanent fix in the A380. Another option is for the fix to be gradually accomplished during regularly scheduled "heavy checks" when the aircraft is two, four, and six years of age. To implement the repair gradually, some extra days would be added to each two to three week "heavy check". Aircraft operators are expected to choose between the various repair solutions depending on their fleet planning and flight schedules.

All the repair works will be covered by the applicable manufacturer's warranties. In the meantime airlines with A380s on lease will continue to operate the aircraft and their lease rental obligations will remain absolute and unconditional on these events.

2. Market Overview

The International Air Transport Association (IATA) released its latest industry outlook in June 2012 according to which global industry profits are expected to reach USD 3.0 billion this year. A temporary fall in oil prices, stronger than expected growth in passenger traffic and a bottoming out of the freight market have been driving some improvements in the profitability outlook. However, this is offset by the continued European sovereign debt crisis and uncertainties related to the economic growth outlook.

IATA expects that 2012 will mark a second successive year of declining airline profits. In 2010 the industry's profits peaked at USD 15.8 billion, before dipping in 2011 to USD 7.9 billion net profit. Although airlines face the common challenges of high fuel prices and economic uncertainty, the regional picture is diverse. Compared with the previous forecast in March 2012, North American and Latin American carriers are expected to see improved prospects. But the outlook for European, Asian-Pacific and Middle Eastern carriers has been downgraded, with European losses expected to reach USD 1.1 billion.

World GDP growth, a key driver of airline profitability, is expected to be 2.1% in 2012. That is slightly better than the anticipated 2.0% growth forecast in March. But this still represents a slower growth environment compared to last year, and one in which airlines will struggle to absorb cost increases. Historically, the airline industry has fallen into losses (at a global level) when world GDP growth drops below 2.0%.

During the course of 2012, passenger demand, measured in revenue passenger kilometers, continues to expand, but at a below-trend rate. According to IATA, average annualized rate grew by approximately 3% since January 2012. Due to the recent deterioration in business confidence in a number of major economies, IATA expects a further slowdown of growth during the next months. In its latest Global Market Forecast, published in September 2012, Airbus predicts a compound average growth rate of 4.7% per annum for worldwide passenger traffic until 2031.

Sources: IATA, Airbus

3. Lessee – Emirates Key Financials and Outlook

The aircraft is leased to Emirates for an initial term of 12 years, with fixed lease rentals for the duration.

Emirates revenue reached a record high of USD 16.9 billion in the 12 months ended 31 March 2012, an increase of 16% from the previous financial year. Passenger revenue climbed 18% year-on-year, to USD 13.3 billion due to the overall expansion of passenger numbers as well as higher fares.

ASSET MANAGER'S REPORT (continued)

3. Lessee – Emirates Key Financials and Outlook (continued)

Geographically, East Asia and Australasia remains Emirates' most important region in terms of revenue, accounting for almost 30%, just ahead of Europe. The carrier's revenue base is increasingly diffused globally, particularly with the introduction of several new routes into North and South America and the development of African destinations.

Despite this strong revenue growth, the high cost of jet fuel impacted Emirates' bottom line with the airline's profit dropping to USD 409 million, representing a decrease of 72% over last year's record results. Fuel costs increased by 44.4% compared to the preceding year to USD 6.6 billion, representing about 40% of Emirates' total operating costs. Emirates Chairman and CEO, Sheikh Ahmed bin Saeed Al Maktoum, stated that if fuel prices remained where they were in the previous financial year, the net profit "would have again soared to a new record high".

Emirates balance sheet total as per 31st March 2012 was USD 21 billion – an increase of 18% from last year. Total equity increased by more than 3% to USD 5.85 billion with an equity ratio of 28%. The current ratio is 0.98; therefore the airline would be able to meet its current liabilities by liquidating all of its current assets. Significant items on the liabilities side of the balance sheet are finance leases in the amount of USD 5.44 billion and revenues received in advance from passenger and cargo sales (USD 2.58 billion). These solid financial results not only represent Emirates' 24th consecutive year of profit, but the carrier was also able to strengthen its cash position by 11.6% to USD 4.2 billion.

For the current financial year 2012/13 36 new aircraft are scheduled for delivery, including 12 Airbus A380, 20 Boeing 777-300ER and four freighters. This would be the highest number of aircraft received in a single year of operation. With an increased fleet, Emirates has already launched 12 new destinations in 2012 (Rio de Janeiro, Buenos Aires, Dublin, Lusaka, Harare, Dallas, Seattle, Ho Chi Minh City, Barcelona, Lisbon, Erbil, Washington DC). Adelaide, Algiers, Lyon, Phuket and Warsaw will join the extensive network of Emirates over the course of the next few months. Emirates is also responding to stronger passenger demand on some existing routes. A second A380 service into Paris will start in January 2013. All five daily flights into London Heathrow will be served by A380s from the beginning of February 2013.

In the 2011/2012 financial year, the Emirates fleet, one of the youngest in the industry, carried a record number of almost 34 million passengers at an 80% passenger load factor to a network of 126 destinations in 74 countries. As of 31 August 2012 Emirates has 184 aircraft in operation, with firm orders for another 226 aircraft, including 67 A380.

In July 2012 Emirates was awarded with 'World's Best Airline Inflight Entertainment 2012' award for the eighth consecutive year. Based on more than 18 million airline passenger votes from over 100 different nationalities, consultancy company SKYTRAX identified industry-leading airlines in a number of categories. Emirates 'ice' (which stands for information, communications and entertainment) inflight entertainment system offers over 1,400 channels and is being continuously enhanced. Emirates has also rolled out WiFi internet connection on its entire A380 fleet.

On 6 September 2012 lessee Emirates and Qantas announced a global aviation partnership that will see the Australian carrier move its hub for European flights to Dubai from Singapore. The 10-year codeshare agreement is enhanced by integrated network collaboration with coordinated pricing, sales and scheduling as well as a benefits sharing model. Emirates will benefit from a major feed for its European, African and Middle Eastern destinations, while gaining access to Qantas' strong network in Australia, which offers nearly 5,000 weekly flights to more than 50 destinations. Subject to regulatory approvals, the partnership arrangements are planned to take effect in April 2013. Neither airline will take equity in the other.

Both airlines will jointly offer 98 weekly flights between Australia and Dubai. Four daily services from Sydney and Melbourne to Dubai will be serviced by A380s. With Emirates flying the largest fleet of A380s in the world with 23, combined with Qantas' 12 A380s for a total of 35, many onward flights to Europe including London, Paris, Moscow, Amsterdam, Munich and Rome will also be serviced by A380s. Qantas will make use of Dubai International's Terminal 3 including the dedicated A380 facility, which will start operations in early 2013 with 20 aircraft contact gates, all of them capable of accommodating one A380.

Sources: Emirates, The Airline Analyst

ASSET MANAGER'S REPORT (continued)

4. Aircraft – A380

At the end of August 2012, the global A380 fleet consisted of 81 planes that were in service with eight operators: Emirates (23 A380 aircraft), Singapore Airlines (18), Qantas (12), Deutsche Lufthansa (10), Air France (8), Korean Airways (5), China Southern Airlines (3) and Malaysia Airlines (2).

Thai Airways received its first Airbus A380 at the end of September with another three deliveries due in December. Two more will follow in 2013. The Thai flag carrier will become the ninth operator of A380s worldwide. Since the inaugural flight of the first Airbus A380 in October 2007, the worldwide fleet with currently eight operators has accumulated over 600,000 flight hours, performing more than 72,000 revenue flights. Average utilization across this total fleet is 13-plus flight hours per day.

Sources: Airbus, Ascend

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 September 2012

	Notes	1 Apr 2012 to 30 Sep 2012 GBP	8 Oct 2010 to 30 Sep 2011 GBP
Income			
A rent income	*4*	4,254,527	9,610,433
B rent income	*4*	2,255,738	4,321,632
Bank interest received		2,503	–
		6,512,768	13,932,065
Expenses			
Operating expenses	*5*	(266,321)	(468,732)
Depreciation of Asset	*9*	(1,915,699)	(2,721,747)
		(2,182,020)	(3,190,479)
Net profit for the period before finance costs and foreign exchange gains/(losses)		4,330,748	10,741,586
Finance costs	*10*	(1,960,238)	(3,139,996)
Unrealised foreign exchange gain/(loss)		633,416	(1,445,976)
Profit for the period		3,003,926	6,155,614
Other Comprehensive Income		–	–
Total Comprehensive Income for the period		3,003,926	6,155,614

		Pence	Pence
Earnings per Share for the period – Basic and Diluted	*8*	7.08	14.50

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

The notes on pages 14 to 28 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

as at 30 September 2012

	Notes	30 Sep 2012 GBP	31 Mar 2012 GBP
NON-CURRENT ASSETS			
Aircraft	*9*	108,454,225	110,369,924
CURRENT ASSETS			
Cash and cash equivalents		4,481,066	4,484,057
Receivables	*12*	2,112	7,632
		4,483,178	4,491,689
TOTAL ASSETS		112,937,403	114,861,613
CURRENT LIABILITIES			
Borrowings	*14*	5,965,261	5,829,257
Payables – due within one year	*13*	109,147	53,234
		6,074,408	5,882,491
NON-CURRENT LIABILITIES			
Borrowings	*14*	59,803,843	63,446,167
Deferred income		1,719,512	1,286,991
TOTAL LIABILITIES		67,597,763	70,615,649
TOTAL NET ASSETS		45,339,640	44,245,964
EQUITY			
Share premium	*15*	39,016,728	39,016,728
Retained earnings		6,322,912	5,229,236
		45,339,640	44,245,964

The Financial Statements were approved by the Board of Directors and authorised for issue on 20 November 2012 and are signed on its behalf by:

Charles Wilkinson
Chairman

Norbert Bannon
Chairman of the Audit Committee

The notes on pages 14 to 28 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

for the period ended 30 September 2012

	Period ended 30 Sep 2012 GBP	8 Oct 2010 to 30 Sep 2011 GBP
OPERATING ACTIVITIES		
Profit for the period	3,003,926	6,155,614
Amortisation of advance rental	432,521	–
Interest received	(2,503)	–
Depreciation of Aircraft	1,915,699	2,721,747
Loan interest	1,954,221	3,139,996
Increase in payables	55,913	138,862
Decrease/(increase) in receivables	5,520	(4,207)
Amortisation of debt arrangement costs	6,017	–
Foreign exchange movement	(633,049)	1,415,742
NET CASH FLOW FROM OPERATING ACTIVITIES	6,738,265	13,567,754
INVESTING ACTIVITIES		
Purchase of Aircraft	–	(115,159,172)
Interest received	2,503	–
NET CASH FLOW FROM INVESTING ACTIVITIES	2,503	(115,159,172)
FINANCING ACTIVITIES		
Dividends paid	(1,910,250)	(1,910,250)
Repayments of capital on borrowings	(2,888,725)	(4,053,819)
Repayments of interest on borrowings	(1,944,784)	(3,121,538)
Proceeds on issue of shares	–	39,625,022
Share issue costs	–	(949,544)
New bank loans raised	–	76,729,560
Costs associated with loans raised	–	(72,500)
NET CASH FLOW FROM FINANCING ACTIVITIES	(6,743,759)	106,246,931
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,484,057	–
(Decrease)/increase in cash and cash equivalents	(2,991)	4,655,513
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,481,066	4,655,513

The notes on pages 14 to 28 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 September 2012

	Notes	Share Capital GBP	Revenue Reserve GBP	Total GBP
Balance as at 1 April 2012		39,016,728	5,229,236	44,245,964
Total Comprehensive Income for the period		–	3,003,926	3,003,926
Dividends paid	*7*	–	(1,910,250)	(1,910,250)
Balance as at 30 September 2012		39,016,728	6,322,912	45,339,640

	Notes	Share Capital GBP	Revenue Reserve GBP	Total GBP
Balance as at 8 October 2010		–	–	–
Total Comprehensive Income for the period		–	6,155,614	6,155,614
Share issue proceeds	*15*	39,625,022	–	39,625,022
Share issue costs	*15*	(949,544)	–	(949,544)
Fair value adjustment on share issue	*15*	341,250	(341,250)	–
Dividends paid	*7*	–	(1,910,250)	(1,910,250)
Balance as at 30 September 2011		39,016,728	3,904,114	42,920,842

The notes on pages 14 to 28 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

as at 30 September 2012

1 GENERAL INFORMATION

Doric Nimrod Air One Limited (the "Company") was incorporated in Guernsey on 8 October 2010 with registered number 52484. Its share capital consists of one class of Ordinary Preference Shares and one class of Subordinated Administrative Shares. The Company's Ordinary Preference Shares have been admitted to trading on the Specialist Fund Market ("SFM") of the London Stock Exchange ("LSE") and are listed on the Channel Islands Stock Exchange ("CISX").

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.

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 European Union, which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") and applicable Guernsey law. The financial statements have been prepared on a historical cost basis.

Changes in accounting policies and disclosure

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

IFRS 7 Financial Instruments: Disclosures – amendments to transition disclosures effective for annual periods beginning on or after 1 January 2015.

IFRS 9 Financial Instruments – Classification and Measurement of financial assets effective for annual periods beginning on or after 1 January 2015.

IAS 1 Presentation of Financial Statements – amendments to revise the way other comprehensive income is presented effective for annual periods beginning on or after 1 July 2012 as well as amendments resulting from annual improvements for annual periods beginning on or after 1 January 2013.

IAS 16 Property, Plant & Equipment – amendments resulting from annual improvements for annual periods beginning on or after 1 January 2013.

IAS 32 Financial Instruments: Presentation – amendments to application guidance on the offsetting of financial assets and financial liabilities effective for annual periods beginning on or after 1 January 2014.

IAS 34 Interim Financial Reporting – amendments resulting from annual improvements for annual periods beginning on or after 1 January 2013.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2012

2 ACCOUNTING POLICIES (continued)

(b) Taxation

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

(c) Share capital

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

(d) Expenses

All expenses are accounted for on an accruals basis.

(e) Interest Income

Interest income is accounted for on an accruals basis.

(f) Foreign currency translation

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

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

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

(g) 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 3 months from the start of the deposit and highly liquid investments readily converted to known amounts of cash and subject to insignificant risk of changes in value.

(h) Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being acquiring, leasing and selling of one Airbus A380-861 aircraft (the "Asset").

(i) 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 despite the current economic climate as the interest on the Company's loan has been fixed and the fixed rental income under the operating 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. Accordingly, the Directors have adopted the going concern basis in preparing the financial information. Management is not aware of any material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

(j) 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 11.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2012

2 ACCOUNTING POLICIES (continued)

(j) Leasing and rental income (continued)

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 recognised on a straight-line basis over the lease term.

(k) 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. 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 £69.2 million over the estimated useful life of the Asset of 12 years, using the straight line method. The depreciation method reflects the pattern of benefit consumption. The residual value is reviewed annually and is the amount the entity would receive currently 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 these Assets. Depreciation starts when the asset is available for use.

At each balance sheet date, the Company reviews the carrying amounts of its Asset to determine whether there is any indication that the Asset has suffered any impairment loss. If any such indication exists, the recoverable amount of the Asset is estimated to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and 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 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.

(l) Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2012

2 ACCOUNTING POLICIES (continued)

(m) Net asset value

In circumstances where the Directors, as advised by the Asset Manager, are of the opinion that the net asset value ("NAV") or NAV per Share, as calculated under prevailing accounting standards, is not appropriate or could give rise to a misleading calculation, the Directors, in consultation with the Administrator and the Asset Manager may determine, at their discretion, an alternative method for calculating the value of the Company and shares in the capital of the Company, which they consider more accurately reflects the value of the Company.

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.

Residual value and useful life of Asset

As described in note 2 (k), the Company depreciates the Asset on a straight line basis over the estimated useful life of the Asset and taking into consideration the estimated residual value. In making its judgement regarding residual value estimate the Directors considered previous sales of similar aircraft and other available aviation information. The useful life of the Asset is estimated based on the expected period for which the Company will own and lease the aircraft.

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 based on an initial term of 10 years followed by an extension term of 2 years. Should the lessee choose to exit the lease at the end of the initial term of 10 years, a penalty equal to the present value of the remaining 2 years lease rentals would be due.

Issue of initial shares

As described in note 15, Shares issued prior to the public Placing were accounted for at the fair value of the Shares on the date of issue. The Directors estimated the value of these Shares issued based on the anticipated launch price and their assessment of the respective dates of issue and the probability of a successful launch. The difference between fair value and actual cash proceeds is shown as a movement in reserves in the Statement of Changes in Equity.

Impairment

As described in note 2 (k), impairment 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 monitor the assets for any indications of impairment as required by IAS 16 Property, Plant and Equipment and IAS 36 Impairment of Assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2012

4 RENTAL INCOME

	1 Apr 2012 to 30 Sep 2012 GBP	TOTAL 8 Oct 2010 to 30 Sep 2011 GBP
A rent income	4,781,970	9,610,433
Revenue received but not yet earned	(527,443)	–
	4,254,527	9,610,433
B rent income	2,160,816	4,321,632
Revenue earned but not yet received	94,922	–
	2,255,738	4,321,632
Total rental income	6,510,265	13,932,065

Rental income is derived from the leasing of the Asset. Rent is split into A rent, which is received in US Dollars (“USD”) and B rent, which is received in GBP. Rental income received in USD is translated into the functional currency (GBP) at the date of the transaction.

A and B rental income receivable will decrease/increase respectively, 10 years from the start of each lease. An adjustment has been made to spread the actual total income receivable evenly over the term of lease. In addition, advance rentals have also been spread evenly over the full term of the lease.

5 OPERATING EXPENSES

	1 Apr 2012 to 30 Sep 2012 GBP	8 Oct 2010 to 30 Sep 2011 GBP
Management fee	50,563	104,932
Asset management fee	127,813	197,917
Administration fees	30,577	53,751
Accountancy fees	5,112	7,644
Registrars fee	4,386	7,052
Audit fee	10,000	12,500
Directors’ remuneration	26,500	43,525
Directors’ and Officers’ insurance	4,020	6,651
Legal & professional expenses	1,279	12,415
Annual fees	750	3,718
Sundry costs	3,545	8,678
Other operating expenses	1,776	9,949
	266,321	468,732

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2012

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. The Chairman of the audit committee also receives an extra £3,000 per annum.

7 DIVIDENDS IN RESPECT OF EQUITY SHARES

	30 Sep 2012	
	GBP	Pence per share
First interim payment	955,125	2.25
Second interim payment	955,125	2.25
	1,910,250	4.50

	8 Oct 2010 to 31 Mar 2012	
	GBP	Pence per share
First interim payment	955,125	2.25
Second interim payment	955,125	2.25
Third interim payment	955,125	2.25
Fourth interim payment	955,125	2.25
	3,820,500	9.00

8 EARNINGS PER SHARE

Earnings per Share ('EPS') is based on the net gain for the period attributable to Shareholders of £3,003,926 and 42,450,000 Shares being the weighted average number of Shares in issue during the period. The Directors are of the opinion that calculating EPS using 42,450,000 Shares follows the substance of IAS33 Earnings per Share, paragraph 26 as the share transactions prior to the Placing did not result in a corresponding change in the Company's resources. There are no dilutive instruments and therefore basic and diluted earnings per Share are identical.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2012

9 PROPERTY, PLANT AND EQUIPMENT – AIRCRAFT

	Aircraft GBP
COST	
As at 1 Apr 2012	115,159,172
Additions	–
As at 30 Sep 2012	115,159,172
ACCUMULATED DEPRECIATION	
As at 1 Apr 2012	4,789,248
Charge for the period	1,915,699
As at 30 Sep 2012	6,704,947
CARRYING AMOUNT	
As at 31 Mar 2012	110,369,924
As at 30 Sep 2012	108,454,225

The Company cannot sell the asset during the term of the lease without terminating the lease or Special Termination Events (as defined by the lease) occurring. 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 on the Asset.

Under IAS 17 'Leases' the direct costs attributed in negotiating and arranging the operating lease has been added to the carrying amount of the leased asset and will be recognised as an expense over the lease term.

10 FINANCE COSTS

	1 Apr 2012 to 30 Sep 2012 GBP	8 Oct 2010 to 30 Sep 2011 GBP
Amortisation of debt arrangement costs	6,017	–
Loan interest	1,954,221	3,139,996
	1,960,238	3,139,996

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2012

11 OPERATING LEASES

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

30 September 2012	Next 12 months GBP	2 to 5 years GBP	Over 5 years GBP	Total GBP
Asset – A rental payments	9,442,699	37,770,995	34,763,719	81,977,413
Asset – B rental payments	4,321,632	17,286,528	23,886,288	45,494,448
	13,764,331	55,057,523	58,650,007	127,471,861

31 March 2012	Next 12 months GBP	2 to 5 years GBP	Over 5 years GBP	Total GBP
Asset – A rental payments	9,464,963	37,859,854	44,310,534	91,635,351
Asset – B rental payments	4,321,632	17,286,528	28,207,920	49,816,080
	13,786,595	55,146,382	72,518,454	141,451,431

The operating lease is for an Airbus A380-861 Aircraft. The term of the lease is for 12 years ending November 2022. The initial lease is for 10 years ending November 2010, with an extension period of 2 years ending November 2022, in which rental payments reduce. The present value of the remaining rentals in the extension period must be paid even if the option is not taken.

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.

12 RECEIVABLES

	30 Sep 2012 GBP	31 Mar 2012 GBP
Prepayments	2,090	7,610
Sundry debtors	22	22
	2,112	7,632

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2012

13 PAYABLES (amounts falling due within one year)

	30 Sep 2012 GBP	31 Mar 2012 GBP
Accrued administration fees	5,831	6,053
Accrued audit fee	12,000	20,000
Accrued management fees	90,071	25,000
Other accrued expenses	1,245	2,181
	109,147	53,234

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

14 BORROWINGS

	TOTAL 30 Sep 2012 GBP	TOTAL 31 Mar 2012 GBP
Bank loan	65,822,593	69,334,930
Transaction costs	(53,489)	(59,506)
	65,769,104	69,275,424
Amount due for settlement within 12 months	5,965,261	5,829,257
Amount due for settlement after 12 months	59,803,843	63,446,167

The loan was arranged with Westpac Banking Corporation ("Westpac") for USD 122,000,000 and runs for 12 years until December 2022, and has an effective interest rate of 5.4950%, 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 will be amortised over their respective lives.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2012

15 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 Preference Shares or Subordinated Administrative Shares.

Issued	Subordinated Administrative Shares	Shares
Shares issued at incorporation	–	1
Shares issued 11 October 2010	–	4,000,000
Shares issued 1 December 2010	–	1,000,000
Shares redeemed 1 December 2010	–	(2,175,001)
Shares issued 6 December 2010	2	–
Shares issued in Placing	–	39,625,000
Issued share capital as at 30 September 2012	2	42,450,000

Issued	GBP
Ordinary Preference Shares	
1,825,000 Shares issued prior to Placing – Fair value	91,260
1,000,000 Shares issued prior to Placing – Fair value	250,010
39,625,000 Shares issued in Placing	39,625,000
Share issue costs	(949,544)
Issued share capital as at 30 September 2012	39,016,726
Subordinated Administrative Shares	
Shares issued 6 December 2010	2
Total share capital as at 30 September 2012	39,016,728

Members holding Ordinary Preference Shares are entitled to receive, or 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.

The holders of Subordinated Administrative Shares are not entitled to receive, or 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 Preference Shares have received a return of their capital paid up but ahead of the return of all additional capital to the holders of Ordinary Preference Shares.

Holders of Subordinated Administrative Shares shall not have the right to receive notice of and shall have no right to attend, speak or 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 Preference Shares in existence.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2012

15 SHARE CAPITAL (continued)

A fair value adjustment arose on the issue of 1,825,000 and 1,000,000 Ordinary Preference Shares for which the consideration was £10 and £10 respectively. The fair value adjustment of £341,250 was adjusted through reserves in the period to 30 September 2011.

The Ordinary Preference 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.

16 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

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's objective is to obtain income and 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 Group at the reporting date:

	30 Sep 2012 GBP	31 Mar 2012 GBP
Financial assets		
Cash and cash equivalents	4,481,066	4,484,057
Receivables	22	22
Financial assets measured at amortised cost	4,481,088	4,484,079
Financial liabilities		
Accrued expenses	109,147	53,234
Loans payable	65,769,104	69,275,424
Financial liabilities measured at amortised cost	65,878,251	69,328,658

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 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 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 and equity attributable to equity holders, comprising issued capital and retained earnings. The Company's Board of Directors reviews the capital structure on a bi-annual basis. Equity includes all capital and reserves of the Company that are managed as capital.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2012

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Foreign currency risk

The Company's accounting policy under IFRS requires the use of GBP historic cost of the Assets and the value of the USD loan as translated at the spot exchange rate on every balance sheet date. In addition, USD operating lease receivables are not immediately recognised in the balance sheet 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 USD operating lease receivables should offset the USD payables on amortising loans. The foreign exchange exposure in relation to the loan is thus largely naturally hedged.

Lease rentals (as detailed in Notes 4 and 12) are received in USD and GBP. Those lease rentals received in USD are used to pay the loan repayments due, also in USD. Both USD 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 mitigates 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:

	Liabilities GBP	Assets GBP
Bank loan (USD)	65,822,593	–
Cash and cash equivalents (USD)	–	2,261,206

The following table details the Company's sensitivity to a 15 per cent appreciation of in GBP against USD. 15 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 15 per cent change in foreign currency rates. A positive number below indicates an increase in profit and other equity where GBP strengthens 15 per cent against USD. For a 15 per cent weakening of the GBP against USD, there would be a comparable, but opposite, impact on the profit and other equity.

	USD impact GBP
Profit or loss	8,290,618
Assets	(294,939)
Liabilities	8,585,556

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2012

17 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 are mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, or with high credit ratings assigned by international credit rating agencies.

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

	30 Sep 2012 GBP	31 Mar 2012 GBP
Receivables	22	22
Cash and cash equivalents	4,481,066	4,484,057
	4,481,088	4,484,079

Surplus cash is held in accounts with Barclays and Westpac Banking Corporation, which have credit ratings given by Moody's of A3 and Aa2 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 the Asset 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.

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

	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	109,147	–	–	109,147	109,147
Loans payable	2,374,885	3,590,375	9,499,542	28,498,626	25,447,999
	2,484,032	3,590,375	9,499,542	28,607,773	25,557,146

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2012

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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:

	Less than 1 month GBP	Fixed interest GBP	Non-interest bearing GBP	Total GBP
Financial assets				
Receivables	–	–	2,112	2,112
Cash and cash equivalents	4,481,066	–	–	4,481,066
Total financial assets	4,481,066	–	2,112	4,483,178
Financial liabilities				
Accrued expenses	–	–	109,147	109,147
Loans payable	–	65,769,104	–	65,769,104
Total financial liabilities	–	65,769,104	109,147	65,878,251
Total interest sensitivity gap	4,481,066	65,769,104		

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 2012 would have been £11,203 greater due to an increase in the amount of interest receivable on the bank balances.

If interest rates had been 50 basis points lower 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 2012 would have been £11,203 lower due to a decrease in the amount of interest receivable on the bank balances.

18 ULTIMATE CONTROLLING PARTY

In the opinion of the Director's, the Company has no ultimate controlling party.

19 SUBSEQUENT EVENTS

On 11 October 2012, a further dividend of 2.25 pence per Ordinary Preference Share was declared and this was paid on 30 October 2012.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2012

20 RELATED PARTIES

Nimrod Capital LLP ("Nimrod") is the Company's Placing Agent and Corporate and Shareholder Adviser. The Company pays to Nimrod for its services as Corporate and Shareholder Adviser 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 £51,165 (30 September 2011: £588,254) of expenses with Nimrod, of which £26,165 (31 March 2012: £25,000) was outstanding to this related party at 30 September 2012. £nil (30 September 2011: £504,859) of expenses have been deducted from equity as a launch cost.

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. Doric will also receive a fee for its sales and remarketing services upon disposition of the Asset and subsequent winding up of the Company (the "Disposition Fee"). This will be payable by the Company out of the proceeds of sale and will follow an incentivised structure. Doric will not be entitled to the Disposition Fee (but for the avoidance of doubt will be entitled to reimbursement for properly incurred costs and expenses) if Shareholders do not recover 100 pence per share net of all costs, fees and expenses upon the winding up of the Company. If Shareholders receive between 100 pence per share and 150 pence per share (inclusive) (in each case net of all cost, fees and expense) upon the winding up of the Company, Doric should receive a Disposition Fee of 2 per cent. of the Realised Value of the Asset. If Shareholders receive more than 150 pence per share (net of all cost, fees and expense) Doric should receive 3 per cent. of the Realised Value of the Asset.

During the period, the Company incurred £127,812 (30 September 2011: £1,463,004) of expenses with Doric, of which £63,906 (31 March 2012: £nil) was outstanding to this related party at 30 September 2012. £nil (30 September 2011: £1,325,000) of expenses have been capitalised as direct costs attributable to bringing the Asset into working condition and have been added to the carrying amount of the Asset.

ADVISERS AND CONTACT INFORMATION

KEY INFORMATION

Exchange	Specialist Fund Market of the LSE/CISX
Ticker	DNA
Listing Date	13 December 2010
Fiscal Year End	31 March
Base Currency	GBP
ISIN	GG00B4MF3899
SEDOL	B4MF389
Country of Incorporation	Guernsey – Registration number 52484

MANAGEMENT AND ADMINISTRATION

Registered Office
Doric Nimrod Air One Limited
Anson Place
Mill Court
La Charroterie
St Peter Port
Guernsey GY1 EJ

Company Secretary and Administrator
Anson Fund Managers Limited
P.O. Box 405, Anson Place
Mill Court
La Charroterie
St Peter Port
Guernsey GY1 3GF

Asset Manager
Doric GmbH
BerlingerStrasse 114
Offenbach
63065 Germany

Liaison Agent
Doric Partners LLP
5 Royal Exchange Building
London
EC3V 3NL

Placing and Corporate and Shareholder Advisory Agent
Nimrod Capital LLP
4 The London Fruit and Wool Exchange
Brushfield Street
London E1 6HB

Registrar
Anson Registrars Limited
PO Box 426, Anson Place
Mill Court, La Charroterie
St Peter Port
Guernsey GY1 3WX

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

Advocates to the Company (as to Guernsey Law)
Mourant Ozannes
1 Le Marchant Street
St Peter Port
Guernsey GY1 4HP