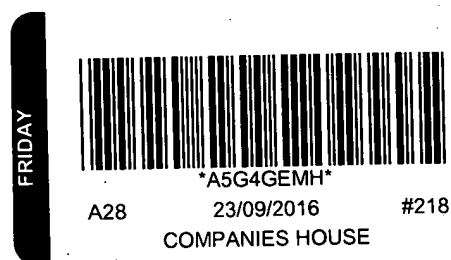


Financial Statements

AerFin Holdings Limited

For the period ended 31 December 2015



Registered number: 09353979

AerFin Holdings Limited
Registered number: 09353979

Company Information

Directors	J J Bradburn (appointed 15 December 2014) M Fischer (appointed 15 December 2014) R J James (appointed 19 December 2014)
Company secretary	S Ades
Registered number	09353979
Registered office	Unit D, Bedwas House Caerphilly CF83 8DW
Trading address	Unit D Bedwas Caerphilly CF83 8DW
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Hartwell House 55-61 Victoria Street Bristol BS1 6FT

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Group Strategic Report

For the period ended 31 December 2015

Introduction

AerFin Holdings Ltd was incorporated on the 15th December 2014 as the Holding Company for the AerFin Group through which the distribution of capital is managed between the two AerFin Group members; AerFin Limited (aircraft and engine component sales) and AerFin Ireland Limited (mid to short term leasing of aircraft and aircraft engines).

The Acquisition of AerFin Limited and AerFin Ireland Limited (100% subsidiary of AerFin Limited) was completed on the 19th December 2014. The accounts within include the period commencing on the 19th December 2014 and ending on the 31st December 2015.

Business review

Strategic Focus:

Civil Aircraft and Aircraft Engine Component Supply Chain Solutions (AerFin Limited):

AerFin Holdings Ltd received an Investment from CVI AerFin Holdings acquiring 80% shareholding on 19th December 2014. The objective of the business has been to develop long term sustainable material supply program relationships with major Maintenance Repair and Overhaul (MRO) and Original Equipment Manufacturer (OEM) organisations through the trading of commercial aircraft, engines, and spare parts.

The company provides the investment strategy for shareholder capital typically requiring the investment in end of life mature aircraft where the AerFin business maintains core competencies and can deliver technical asset management solutions to maximise value from its supply chain services.

The company has facilitated the growth of AerFin Limited providing aircraft nose to tail spares support through the acquisition in September 2015 of the ongoing trade and assets of Airline Services Components Limited, a long established and highly reputable airframe components business located in Gatwick. This strategic acquisition strengthened the management team of AerFin Limited and provided the platform for rapid expansion in to the airframe components sector with immediate contracts, trading stock and business premises at Gatwick airport. The diverse customer base accelerated the acquisition pipeline and significantly broadened the opportunities for the business to deploy investment capital.

With significant investments made in 2015 in premises, people, infrastructure, systems and processes, the company has been able to deploy significant shareholder capital in the purchase of aircraft and engines and is well positioned to continue significant growth through the established AerFin investment platform that has been structured to accommodate volume based aircraft component trading.

Strategic Focus: Mid-Short Term Civil Aircraft, Engine and Aircraft Leasing (AerFin Ireland Limited):

Acquiring suitable aircraft and engines for lease in the period has proved challenging for the business due to a conservative investment policy requiring risk adjusted returns in what the directors consider to be a market where investment demand has exceeded supply with a resulting escalation in market prices. Accordingly, the directors declined to acquire any aircraft or engine assets in the period with leases attached. The company focus is to remain selective in targeting yield attractive assets using retained earnings to finance the company during the intervening period.

Group Strategic Report

For the period ended 31 December 2015

Group Financial Performance:

The AerFin Holdings group achieved turnover of £16.6m for the period, with a post-tax loss of £387,784.

The main contributor of the loss was the amortisation of Goodwill (£1.2m).

The directors consider that figures excluding Goodwill amortisation would give a fairer representation of the AerFin Holdings group trading performance through the period equating to a post-tax profit of £801.2k, reflecting the significant investment in infrastructure during the period.

The AerFin Holdings group is of solid financial position with third party debt equating to less than 0.15% of its capital.

With the full benefit of the synergies from the acquisition of the aircraft component trading platform yet to be realised and the focus of the management team and business resources through 2015 having been consumed in building scalable infrastructure, the directors are very pleased with the progress made by the organisation in the year, and consider the business very well positioned for a successful 2016.

Principal risks and uncertainties

The Group uses financial instruments comprising borrowings, some cash and liquid resources and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to assist in financing the company's operations.

The directors consider the Group well placed in mitigating asset risk, due to the liquid nature of the Group's existing inventory/trading assets. The directors have an established and successful track record of operating in this sector and managing the below risks as far as possible through detailed market analysis, technical due diligence, and careful investment.

The following factors have the ability to impact the future trading success of the business.

- **Oil prices:** The Group focuses on civil aircraft which are aged typically from 7 to 20 years. Newer generation aircraft have been designed to maximise fuel efficiencies through the introduction of fuel efficient technologies. With fuel costs typically accounting for around 40% of an airlines operating cost, rising fuel costs can render more vintage aircraft less profitable, whereas falling fuel costs can increase the profitability of older aircraft, due to the lower capital cost of the asset
- **Global demand for air travel:** Demand for global air travel drives the requirement for leased engines, leased aircraft and components used in the refurbishment of aircraft and engines
- **New equipment manufacture/aircraft retirement cycle:** Both market leading aircraft manufacturers in Boeing and Airbus boast record order books for new generation aircraft. The ability of the manufacturers to meet delivery timescales will in effect determine the rate at which older equipment is phased out. Mass retirements of a particular model of aircraft will drive down the acquisition price from the Group's perspective, but it will in turn provide for limited lease and sale opportunities
- **Original Equipment Manufacturers (OEM) and air safety regulations:** In the interest of improving operating reliability of products, from time to time equipment modifications are enforced by the OEM or the relevant air safety agency. Such modifications can affect the merchantability or airworthiness of a component or aircraft which can lead to unforeseen overhaul costs or even the scrapping of inventory where no such corrective programme exists

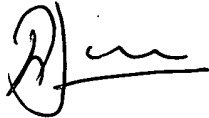
AerFin Holdings Limited
Registered number: 09353979

Group Strategic Report

For the period ended 31 December 2015

- **Cost/availability of financing:** Both cost and availability of financing may play a part in deciding the type of an aircraft that an airline will operate. Traditionally airlines that operate in emerging economies have operated more vintage aircraft, however due to the lower cost and increased availability of financing opportunities such airlines can opt for newer technologies.
- **Exchange fluctuations:** The Group transacts in US dollars (asset sales, purchases and lease revenues), with operating costs mainly incurred in Sterling. Sterling is the Group's functional currency creating foreign exchange translation risk.

This report was approved by the board on 9 September 2016 and signed on its behalf.



R J James

Director

Directors' Report

For the period ended 31 December 2015

The directors present their report and the audited financial statements for the period ended 31 December 2015.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the period were:

J J Bradburn (appointed 15 December 2014)

M Fischer (appointed 15 December 2014)

R J James (appointed 19 December 2014)

Directors' Report

For the period ended 31 December 2015

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 9 September 2016 and signed on its behalf.



R J James

Director



Independent Auditor's Report to the Members of AerFin Holdings Limited

We have audited the financial statements of AerFin Holdings Limited for the period ended 31 December 2015, which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and Reconciliation of Net Cash Flow to Movement in Net Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of AerFin Holdings Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

James Morter (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Bristol
9 September 2016

Consolidated Profit and Loss Account

For the period ended 31 December 2015

	Note	2015 £
Turnover	1,2	16,639,527
Cost of sales		<u>(12,381,285)</u>
Gross profit		4,258,242
Distribution costs		(90,171)
Administrative expenses		(3,517,587)
Amortisation of goodwill		(1,189,000)
Other operating income	3	<u>352,164</u>
Loss on ordinary activities before taxation	4	(186,352)
Tax on loss on ordinary activities	7	<u>(201,432)</u>
Retained loss carried forward	18	<u><u>(387,784)</u></u>

All amounts relate to continuing operations.

Consolidated Statement of Total Recognised Gains and Losses

For the period ended 31 December 2015

	2015 £
Loss for the financial period	(387,784)
Translation exchange differences	<u>(35,235)</u>
Total gains and losses recognised	<u><u>(423,019)</u></u>

The notes on pages 12 to 25 form part of these financial statements.

Consolidated Balance Sheet

As at 31 December 2015

	Note	£	2015 £
Fixed assets			
Intangible assets	8		9,017,550
Tangible assets	9		<u>3,591,699</u>
			12,609,249
Current assets			
Stocks	11	14,246,221	
Debtors	12	2,549,406	
Cash at bank		<u>3,301,325</u>	
		20,096,952	
Creditors: amounts falling due within one year	13	<u>(1,564,637)</u>	
Net current assets			<u>18,532,315</u>
Total assets less current liabilities			31,141,564
Creditors: amounts falling due after more than one year	14		(36,585)
Provisions for liabilities			
Deferred tax	15		<u>(180,075)</u>
Net assets			<u>30,924,904</u>
Capital and reserves			
Called up share capital	16		295
Share premium account	17		28,631,973
Merger relief reserve	17		2,715,655
Profit and loss account			<u>(423,019)</u>
Shareholders' funds	18		<u>30,924,904</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 September 2016

R J James

Director



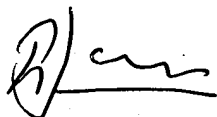
The notes on pages 12 to 25 form part of these financial statements.

Company Balance Sheet

As at 31 December 2015

	Note	£	2015 £
Fixed assets			
Investments	10		13,578,725
Current assets			
Debtors	12	17,782,867	
Cash at bank		<u>330</u>	
		17,783,197	
Creditors: amounts falling due within one year	13	<u>(19,751)</u>	
Net current assets			<u>17,763,446</u>
Total assets less current liabilities			<u>31,342,171</u>
Capital and reserves			
Called up share capital	16		295
Share premium account	17		28,631,973
Other reserves	17		2,715,655
Profit and loss account			<u>(5,752)</u>
Shareholders' funds	18		<u>31,342,171</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 September 2016



R J James

Director

The notes on pages 12 to 25 form part of these financial statements.

Consolidated Cash Flow Statement

For the period ended 31 December 2015

	Note	2015 £
Net cash flow from operating activities	19	(8,477,900)
Capital expenditure and financial investment	20	(3,067,528)
Acquisitions and disposals	20	<u>(10,277,021)</u>
Cash outflow before financing		(21,822,449)
Financing	20	<u>25,123,774</u>
Increase in cash in the period		<u>3,301,325</u>

Reconciliation of Net Cash Flow to Movement in Net Funds

For the period ended 31 December 2015

	2015 £
Increase in cash in the period	<u>3,301,325</u>
Net funds at 31 December 2015	<u>3,301,325</u>

The notes on pages 12 to 25 form part of these financial statements.

Notes to the Financial Statements

For the period ended 31 December 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The financial statements consolidate the accounts of AerFin Holdings Limited and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the period are included from the effective date of acquisition.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services delivered to customers during the year, net of trade discounts, volume rebates and value added tax.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Goodwill is amortised over 10 years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	16% straight line
Plant and machinery	-	33% and 25% straight line
Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line
Capitalised inventory	-	8% and 33% straight line

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Notes to the Financial Statements

For the period ended 31 December 2015

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

The Group is involved with purchasing aircraft or engines. The purchase price paid is specific to the engine aircraft or engine as a whole.

The Group may make sales of many components that are obtained from the aircraft or the engine. There is no purchase price allocated for the individual components.

In line with standard industry practice, for each sale of a component, an element of the aircraft purchase price and capitalised inventory cost is recognised in the profit and loss as the cost of the goods sold.

The cost of the goods sold is calculated based on the forecast margins achievable from the sale of all the components taken from the original engine or aircraft.

The carrying value of the inventory consists of the initial purchase price and capitalised inventory costs, less all amounts recognised in the profit and loss through the above outlined costs of goods sold calculations.

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

1.10 Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial

Notes to the Financial Statements

For the period ended 31 December 2015

liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account

1.12 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2. Turnover

The whole of the turnover is attributable to the principal activity of the group. The principal activity of the group is to supply aircraft engine components and technical services to the aviation industry.

Turnover was split £8,096,589 USA, £5,571,086 UK and £2,971,852 Rest of the World.

3. Other operating income

	2015 £
Other operating income	<u>352,164</u>

4. Profit on ordinary activities

The profit is stated after charging:

	2015 £
Depreciation of tangible fixed assets:	
- owned by the group	433,788
Auditor's remuneration (includes £3,500 relating to the company)	28,750
Auditor's remuneration - non-audit	7,550
Amortisation of development and trademarks	9,009
Amortisation of goodwill	<u>1,189,000</u>

Notes to the Financial Statements

For the period ended 31 December 2015

5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2015 £
Wages and salaries	1,920,047
Social security costs	234,451
Other pension costs	<u>115,420</u>
	<u>2,269,918</u>

The average monthly number of employees, including the directors, during the period was as follows:

2015 No.
<u>40</u>

6. Directors' remuneration

	2015 £
Remuneration	<u>206,674</u>
Company pension contributions to defined contribution pension schemes	<u>41,468</u>

During the period retirement benefits were accruing to 1 director in respect of defined contribution pension schemes.

The highest paid director received remuneration of £206,674.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £41,468.

Notes to the Financial Statements

For the period ended 31 December 2015

7. Taxation

	2015 £
Analysis of tax charge in the period	
Current tax (see note below)	
UK corporation tax charge on profit for the period	113,527
UK corporation tax credit in respect of previous periods	<u>(10,176)</u>
Total current tax	<u>103,351</u>
Deferred tax	
Origination and reversal of timing differences	106,281
Effect of increased tax rate on opening liability	<u>(8,200)</u>
Total deferred tax (see note 15)	<u>98,081</u>
Tax on profit on ordinary activities	<u>201,432</u>
Factors affecting tax charge for the period	
The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 20.4%. The differences are explained below:	
	2015 £
Loss on ordinary activities before tax	<u>(186,352)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.4%	(38,013)
Effects of:	
Expenses not deductible for tax purposes	21,404
Amortisation of consolidation goodwill	242,556
Capital allowances for period in excess of depreciation	(111,472)
Adjustment in respect of previous periods	(10,176)
Unrelieved tax losses carried forward	1,173
Impact of transfer of fixed assets to stocks	8,815
Marginal relief	(939)
Tax credits	(328)
Difference between standard and actual rate	<u>(9,669)</u>
Current tax charge for the period (see note above)	<u>103,351</u>

Notes to the Financial Statements

For the period ended 31 December 2015

8. Intangible fixed assets

Group	Development £	Goodwill £	Total £
Cost			
At 15 December 2014	-	-	-
Additions	<u>23,933</u>	<u>10,191,626</u>	<u>10,215,559</u>
At 31 December 2015	<u>23,933</u>	<u>10,191,626</u>	<u>10,215,559</u>
Amortisation			
At 15 December 2014	-	-	-
Charge for the period	<u>9,009</u>	<u>1,189,000</u>	<u>1,198,009</u>
At 31 December 2015	<u>9,009</u>	<u>1,189,000</u>	<u>1,198,009</u>
Net book value			
At 31 December 2015	<u>14,924</u>	<u>9,002,626</u>	<u>9,017,550</u>

Goodwill relates to the acquisition of AerFin Limited and is being amortised over 10 years (see note 25).

Notes to the Financial Statements

For the period ended 31 December 2015

9. Tangible fixed assets

Group	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Capitalised inventory £	Warehouse and storage equipment £	Total £
Cost							
15 December 2014	-	-	-	-	-	-	-
Additions	-	624,126	489,647	49,160	2,231,871	198,283	3,593,087
Disposals	-	(100,173)	-	-	-	-	(100,173)
On acquisition of subsidiaries	<u>2,025</u>	<u>197,370</u>	<u>111,384</u>	<u>47,600</u>	<u>-</u>	<u>110,017</u>	<u>468,396</u>
31 December 2015	<u>2,025</u>	<u>721,323</u>	<u>601,031</u>	<u>96,760</u>	<u>2,231,871</u>	<u>308,300</u>	<u>3,961,310</u>
Depreciation							
15 December 2014	-	-	-	-	-	-	-
Charge for the period	416	168,728	88,078	26,568	74,935	75,063	433,788
On disposals	-	(64,177)	-	-	-	-	(64,177)
31 December 2015	<u>416</u>	<u>104,551</u>	<u>88,078</u>	<u>26,568</u>	<u>74,935</u>	<u>75,063</u>	<u>369,611</u>
Net book value							
At 31 December 2015	<u>1,609</u>	<u>616,772</u>	<u>512,953</u>	<u>70,192</u>	<u>2,156,936</u>	<u>233,237</u>	<u>3,591,699</u>

10. Fixed asset investments**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
AerFin Limited	Ordinary Shares	100%
AerFin Ireland Limited	Ordinary Shares	100%

Notes to the Financial Statements

For the period ended 31 December 2015

10. Fixed asset investments (continued)

Company	Investments in subsidiary companies £
Cost or valuation	
At 15 December 2014	-
Additions	<u>13,578,725</u>
At 31 December 2015	<u>13,578,725</u>
Net book value	
At 31 December 2015	<u>13,578,725</u>

11. Stocks

	Group	Company
	2015	2015
	£	£
Finished goods and goods for resale	<u>14,246,221</u>	<u>-</u>

Notes to the Financial Statements

For the period ended 31 December 2015

12. Debtors

	Group	Company
	2015	2015
	£	£
Trade debtors	1,988,271	1
Amounts owed by group undertakings	-	17,782,866
Other debtors	135,965	-
Prepayments and accrued income	<u>425,170</u>	<u>-</u>
	<u>2,549,406</u>	<u>17,782,867</u>

13. Creditors: Amounts falling due within one year

	Group	Company
	2015	2015
	£	£
Trade creditors	868,948	-
Corporation tax	220,330	-
Other taxation and social security	82,508	-
Director's loan	14,301	14,301
Net obligations under finance leases and hire purchase agreements	11,640	-
Accruals and deferred income	<u>366,910</u>	<u>5,450</u>
	<u>1,564,637</u>	<u>19,751</u>

14. Creditors: Amounts falling due after more than one year

	Group	Company
	2015	2015
	£	£
Net obligations under finance leases and hire purchase agreements	<u>36,585</u>	<u>-</u>

Notes to the Financial Statements

For the period ended 31 December 2015

15. Deferred taxation

	Group	Company
	2015	2015
	£	£
At beginning of period	-	-
Acquired as part of purchase of fixed asset investment	81,994	-
Charge for the period	<u>98,081</u>	<u>-</u>
At end of period	<u>180,075</u>	<u>-</u>

The provision for deferred taxation is made up as follows:

	Group	Company
	2015	2015
	£	£
Accelerated capital allowances	<u>180,075</u>	<u>-</u>

16. Share capital

	2015
	£
Allotted, called up and fully paid	
295 Ordinary Shares of £1 each	<u>295</u>

During the year 295 Ordinary Shares of £1 each were issued. Total consideration comprised £25,075,569 in cash, £3,556,699 in loan note set off and of the 295 shares issued, 20 shares were issued as part of the consideration for the acquisition of AerFin Limited (see note 25).

17. Reserves

	Share premium account	Merger relief reserve
	£	£
Group		
Premium on shares issued during the period	28,631,973	-
Merger relief	<u>-</u>	<u>2,715,655</u>
At 31 December 2015	<u>28,631,973</u>	<u>2,715,655</u>

Notes to the Financial Statements

For the period ended 31 December 2015

17. Reserves (continued)

Company	Share premium account £	Merger relief reserve £
Premium on shares issued during the period	28,631,973	-
Merger relief	<u>-</u>	<u>2,715,655</u>
At 31 December 2015	<u>28,631,973</u>	<u>2,715,655</u>

The merger relief reserve relates to the 20 shares issued as part of the consideration paid for the acquisition of AerFin Limited (see note 25).

18. Reconciliation of movement in shareholders' funds

Group	2015 £
Opening shareholders' funds	-
Loss for the financial period	(387,784)
Other recognised gains and losses	(35,235)
Shares issued during the period	295
Share premium on shares issued (net of expenses)	28,631,973
Merger relief reserve on shares issued	<u>2,715,655</u>
Closing shareholders' funds	<u>30,924,904</u>
Company	2015 £
Opening shareholders' funds	-
Loss for the financial period	(5,752)
Shares issued during the period	295
Share premium on shares issued (net of expenses)	28,631,973
Merger relief reserve on shares issued	<u>2,715,655</u>
Closing shareholders' funds	<u>31,342,171</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The loss for the period dealt with in the accounts of the company was £5,752.

Notes to the Financial Statements

For the period ended 31 December 2015

19. Net cash flow from operating activities

	2015 £
Operating loss	(186,352)
Amortisation of intangible fixed assets	9,009
Amortisation of goodwill	1,189,000
Depreciation of tangible fixed assets	433,788
Profit on disposal of tangible fixed assets	(352,164)
Increase in stocks	(9,217,944)
Increase in debtors	(485,149)
Translation exchange differences	(35,235)
Increase in creditors	<u>167,147</u>
Net cash outflow from operating activities	<u>(8,477,900)</u>

20. Analysis of cash flows for headings netted in cash flow statement

	2015 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(3,455,688)
Sale of tangible fixed assets	<u>388,160</u>
Net cash outflow from capital expenditure	<u>(3,067,528)</u>

	2015 £
Acquisitions and disposals	
Purchase of fixed asset investment and business trade and assets	(10,884,137)
Cash acquired as part of purchase of fixed asset investment	<u>607,116</u>
Net cash outflow from acquisitions and disposals	<u>(10,277,021)</u>

	2015 £
Financing	
Issue of ordinary shares	25,061,248
New finance lease/hire purchase	48,225
Loans from directors	<u>14,301</u>
Net cash inflow from financing	<u>25,123,774</u>

Notes to the Financial Statements

For the period ended 31 December 2015

21. Analysis of changes in net funds

	Cash flow	Other non-cash changes	31 December 2015
	£	£	£
Cash at bank and in hand	<u>3,301,325</u>	-	<u>3,301,325</u>
Net funds	<u>3,301,325</u>	-	<u>3,301,325</u>

22. Operating lease commitments

At 31 December 2015 the group had annual commitments under non-cancellable operating leases relating to land and buildings as follows:

	31 December 2015
	£
Expiry date:	
Within 1 year	1,687
Between 2 and 5 years	219,478
After more than 5 years	<u>121,281</u>

23. Controlling party

AerFin Holdings Limited is owned 80% by CVI AerFin Holdings LP and 20% by Mr R James (Director). The ultimate parent company and controlling party is considered to be CVI AerFin Holdings LP.

24. Principal subsidiaries

Company name	Country	Percentage Shareholding
Aerfin Limited	United Kingdom	100
AerFin Ireland Limited	Republic of Ireland	100

Notes to the Financial Statements

For the period ended 31 December 2015

25. Acquisitions

On 19 December 2014 the Company acquired the entire share capital of AerFin Limited for a consideration of £13,578,725, satisfied by cash of £7,292,050, loan notes of £3,571,000 and shares with a fair value of £2,715,675. The investment in AerFin Limited has been consolidated at its effective fair value at the date of acquisition.

Net assets at the date of acquisition:

	£
Tangible fixed assets	468,396
Intangible fixed assets	11,332
Trade and other debtors	2,064,252
Stock	1,586,195
Creditors and accruals	(838,017)
Corporation tax	(430,181)
Deferred tax	(81,994)
Cash at bank and in hand	<u>607,116</u>
	3,387,099
Goodwill	<u>10,191,626</u>
Consideration	<u>13,578,725</u>

On 1 September 2015 AerFin Limited acquired the trade and assets of Airline Services Components Limited for a consideration of £3,592,087, satisfied by cash.

The fair value of the net assets acquired was:

	£
Tangible fixed assets	150,000
Stock	3,442,082
Other assets	<u>5</u>
	<u>3,592,087</u>