



AMEDEO AIR FOUR PLUS LIMITED

Half-Yearly Report and Unaudited Consolidated
Condensed Interim Financial Statements
From 1 April 2023 to 30 September 2023

2023

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Summary Information

Listing	Specialist Fund Segment of the London Stock Exchange's Main Market		
Ticker	AA4		
Share Price	46.50 pence (as at 30 September 2023) 42.55 pence (as at 12 December 2023)		
Market Capitalisation	GBP141 million (as at 30 September 2023) GBP129 million (as at 12 December 2023)		
Dividends	Announcement Date	Dividend Declared	
	4 April 2023	1.75 pence per ordinary share	
	3 July 2023	1.75 pence per ordinary share	
Post-Period-End Dividends	3 October 2023	1.75 pence per ordinary share	
Dividend Payment Dates	January, April, July, October		
Compulsory Redemptions	Completion Date	Shares redeemed	Shares in issue
	28 September 2020	214,083,243	428,166,757
	8 December 2021	86,828,274	347,313,483
	1 March 2023	43,414,122	303,899,361
Incorporation and Domicile	Guernsey		
Aircraft Registration Numbers	A6-EEY, A6-EOB, A6-EOM, A6-EOQ, A6-EOV, A6-EOX, A6-EPO, A6-EPQ, HS-THF, HS-THG, HS-THH, HS-THJ		
Asset Manager	Amedeo Limited		
Corporate Broker	Liberum Capital Limited		
Administrator	JTC Fund Solutions (Guernsey) Limited		
Auditor	KPMG Channel Islands Limited		
SEDOL ISIN LEI	BNDVLS5 GG00BNDVLS54 21380056PDNOTWERG107		
Year End	31 March		
Stocks & Shares ISA	Eligible		
Website	www.aa4plus.gg		

Chairman's Statement

I am pleased to present our half year financial report for the period ended 30 September 2023.

Year Ended	30 September 2023	31 March 2023	31 March 2022
Total rent income	GBP 91,177,472	GBP 208,099,130	GBP 190,033,541
Total Net Assets	GBP 357,224,752	GBP 341,326,227	GBP 313,764,056
Dividends paid	GBP 10,636,478	GBP 19,102,241	GBP 4,341,418
Share Redemptions	Nil	GBP 28,002,108	GBP 29,999,169
Shares in issue	303,899,361	303,899,361	347,313,483
Outstanding debt	GBP 907,036,711	GBP 955,407,582	GBP 994,628,598
Changes to residual values	0%	-1%	-16%
Share price at period end	46.50 p	43.20 p	30.40 p

Shareholders will have noted in the most recent factsheet, the continued full performance by Emirates and the improving financial situation of Thai Airways. This stability has allowed the Board to switch its attention from lessee performance to the strategic direction of the Company.

Your Board has always been focused on ensuring that shareholder value is optimised, but this has come into even greater focus in recent years because of:

- Thai Airways entering into bankruptcy protection, and the consequent revision of their leases;
- The collapse of any true secondary market for the A380 and to a lesser degree the B777 aircraft and hence increased uncertainty over their resale values; and
- The considerable increase in interest rates and the consequent emergence of attractive alternative investments for our Shareholders.

This has resulted in a split portfolio. The Emirates aircraft bring all of the income required to pay dividends and most of the Company's expenses. It also raises the challenge of meeting our debt obligations at lease expiry when, today, the outstanding loans exceed the market value of the Emirates assets. Only Emirates' strong credit supports their value in use and thus allows us to avoid further write-downs.

Conversely, the Thai portfolio of A350s brings no dividend income at all and makes only a small contribution to expenses, but has a positive value net of debt which is being amortised. This portfolio value consists of the discounted value of the Thai rents, which are due to be reset to market in 2029 and the residual values of the aircraft themselves. It is like a zero-coupon bond. However, Management fees are not linked to the rents now being received, or aligned with shareholder returns and therefore constitute a much higher proportion of costs. This has reduced the Thai portfolio value from a shareholder's perspective.

We have therefore sought input from both our current advisors and from investment banks and others with relevant aviation experience as to how we might maximise shareholder value, given the current circumstances of the Company. The possible outcomes are as follows:

- Run off the leases as they stand and realise the underlying aircraft for as much as proves to be possible at the end of each of the leases, allowing for the repayment of debt obligations as necessary to prevent assets being repossessed by their secured lenders; or
- Dispose of one or more aircraft owning subsidiaries (thus maximising the value of the relatively low cost of debt) and then run off whatever remains as above.
- Receive approaches from third parties to buy the Company. None have to date produced a proposal which we would have been able to recommend to Shareholders. No discussions are currently taking place with any party, however the Company recognises that in the event that a recommendable proposal were received then it would merit due consideration; or

Chairman's Statement (continued)

- Negotiate extended or new leases, with an associated aircraft refinancing, provided that they produce a more favourable return to investors than disposals and subject to Shareholders being prepared to extend the life of the portfolio and therefore the return of their investment. Due to high interest rates and lower loan to value advance rates, especially on out of production aircraft, this is likely to be difficult and would carry significant execution risk and cost.

In respect of the first option, the Company currently pays a quarterly dividend of 1.75 pence per share. We expect to be able to continue to pay a dividend of at least this amount until July 2026 after which the Company's leases start to expire. The rate of dividend is therefore likely to decline significantly after that date but will depend on the circumstances existing at that time.

The rate per share in the above paragraph is based on the current number of shares in issue. In practice it is our intention that further compulsory redemptions of shares will be made as and when cash becomes available (for example on disposal of the aircraft coming off lease). In this event, our intention would be to gross up the rate per share appropriately.

Key to the ongoing value of the Company are the residual values of the aircraft it indirectly owns, especially of our fleet of A380s where there is only one buyer in the market, namely Emirates. This means that there is no balanced market, which is normally an assumption made by appraisers and is not met in practice. As stated elsewhere in this document, for accounting purposes we use the average of the values determined by three independent professional aircraft valuers. Since COVID the Board has been advised of potential values (excluding contracted end of lease compensation) for each A380 ranging from \$10m (basically net scrap value) to more than \$60m. The only empirical evidence of value lies in the transactions by other investment funds that have reached maturity where sales have been concluded to Emirates, being at values between \$30-35m per plane.

Notwithstanding these circumstances and the hurdles to be overcome in the next few years, we will continue to consider proposals and ideas that will maximise value to Shareholders.

Robin Hallam
Chairman

Date: 19 December 2023

Asset Manager's Report

At the invitation of the Board, the following commentary has been provided by Amedeo Limited as Asset Manager of the Company. The commentary is not intended to constitute, and should not be construed as, investment advice. Potential investors in the Company should seek their own independent financial advice and may not rely on this communication in evaluating the merits of investing in the Company. The commentary is provided as a source of information for Shareholders of the Company but is not attributable to the Company.

Portfolio Update¹

As reported in the Management Discussion and Analysis, released by Thai Airways, the airline announced a US\$ 432.6m profit during the nine months ended 30 September 2023. The airline reported a fourth-straight quarterly profit as passenger numbers continued to improve with extra impetus coming from travelers from China. The airline is expanding its operations in line with growing passenger demand and will add two A350-900s to its fleet. Thai Airways is also looking to complete the transfer of the twenty A320-200s fleet from its subsidiary Thai Smile during Q1'2024. The airline plans to increase flights to Europe and Southeast Asia over the course of the next few months. The Company's aircraft continue to be in service for the carrier's operations.

Following the Company's previously published factsheet, there have been no significant developments in the rehabilitation of Thai Airways and the airline is currently performing in line with its targets.

As reported in the Half-Yearly Financial Report for 2023/2024 released by Emirates, the airline recorded a US\$ 2.6bn profit during the six months period ended on 30 September 2023. Emirates continues to maintain its positive performance, as the airline adds more routes and flights to its network.

Five of the Company's A380s are in service and it is expected that the remaining aircraft (MSN 201) is anticipated to return during Q1'2024, following return-to-service maintenance checks.

More specifically relating to the Company's A380 aircraft, Amedeo has been briefing the board about our expectations for the end of lease scenarios and ongoing discussions with Emirates. As is publicly known from other investment funds' announcements, Emirates chose to purchase MSN 16, 17, 77, 83, 90 for \$30 million to \$35 million rather than return the aircraft to their respective lessors, with the prices paid being at the lower end of the range for 2022 lease ends, higher for lease ends in 2023. There have been other partly disclosed outcomes with Singapore Airlines and Air France returning 380s at the ends of their operating leases, however due to the different specific lease return conditions simple inferences cannot be made in respect of these cases. In the latter, in 2021 and 2022, for MSNs 49, 52, and 67 end of lease compensation ranged from \$25 million to \$40 million and the airframes were returned to the lessors. Some lessors then sold these A380s airframes for less than \$1 million, to financial buyers who made significant proceeds from subsequent part out sales. There have been further trades with some aircraft returned to Airbus in exchange for new orders, dispositions of MAS and Thai A380s, which were not under an operating lease structure and therefore are not guiding here, and a partly-disclosed purchase by Emirates from an operating lease structure of MSNs 23 and 25, again with a different and unique set of conditions.

Our messaging to the Board about AA4P's A380 aircraft, which have later maturities between 2026 and 2028, and which could potentially fly with Emirates into the late 2030s, is that Emirates in these circumstances would not want to return these aircraft to the lessors, as they would incur significant costs complying with minimum physical life return conditions and agreeing end of lease differences compensation, and disposing of the aircraft that may like to keep, but could so do if the right deal cannot be agreed. It is relevant to note that the costs of return compliance, whether in the form of maintenance checks to fulfil MRC requirements or life limited parts used up in the engines, have been rising well above the recent inflation levels, driven by the supply chain and commodity pricing that has also created bottlenecks in limiting wide body production rates, which look to be short of demand well into the later part of the decade. Additionally, unlike, for example, Singapore Airlines and Air France, AA4P's Emirates A380 aircraft are better configured for profitable operations, in terms of overall seat count, efficiency of the layout, and product. At \$80 per barrel, configured in an apples-to-apples layout, in a seat mile cost comparison with the latest technology aircraft like A350 and B787, and B777X to come, the A380 remains competitive and offers a unique product for customers. No wonder then that, even with low seat count and less efficient layouts, the likes of Erihad, Qatar, and Lufthansa, who all to different degrees professed never to return their A380s back to service post pandemic, have reversed and returned A380s to flying.

Consequently, our messaging to the Board has been that ongoing negotiations with Emirates for a value for AA4P A380s will, eventually, provide meaningful shareholder returns, either by a sale to Emirates, as has been the case with preceding

¹ US\$ figures are converted at: US\$ 1 = AED 3.67 as per Bloomberg FX; 1 THB = US\$ 0.027334 as of 30 September 2023 as per Bloomberg FX.

Asset Manager's Report (continued)

aircraft, or, taking into account to-be-agreed EOL compensation, profitably elsewhere, given the shortfall of widebody lift and Emirates favourable configuration.

The latest asset utilisation report is available on the website via the following link:

<https://www.aa4plus.gg/company-information/>

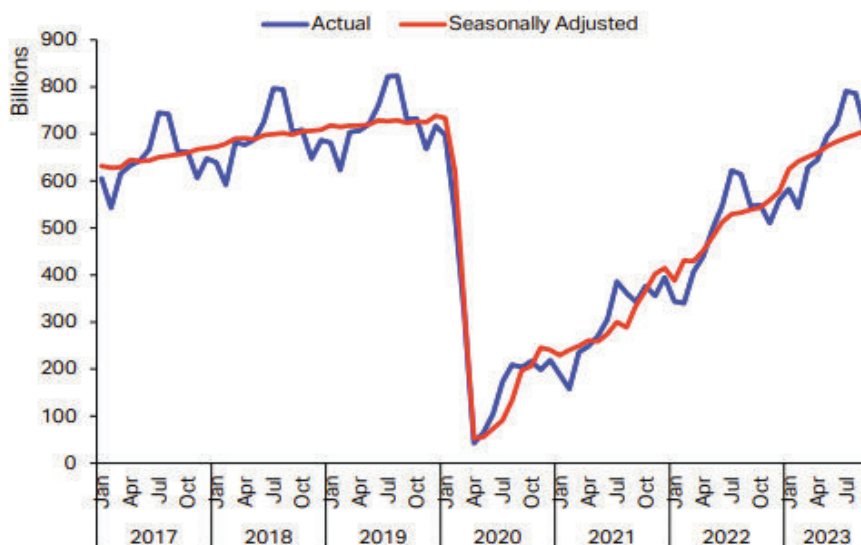
Industry Update²

In its latest update, IATA announced that the recovery in air travel demand is continuing in 2023, based on September traffic results.

	Passenger Traffic (RPKs) (% change yoy)	Capacity (ASKs) (% change yoy)	Passenger Load Factor Level (% -pt)	Passenger Load Factor Level
International	▲ 31.2%	▲ 29.2%	▲ 1.3%	83.8%
Domestic	▲ 28.3%	▲ 28.2%	▲ 0.1%	80.7%
Total	▲ 30.1%	▲ 28.8%	▲ 0.8%	82.6%

IATA's Director General, Willie Walsh, commented "With the end of 2023 fast approaching, we can look back on a year of strong recovery in demand as passengers took full advantage of their freedom to travel. There is every reason to believe that this momentum can be maintained in the New Year, despite economic and political uncertainties in parts of the world. But we need the whole value chain to be ready. Supply chain issues in the aircraft manufacturing sector are unacceptable. They have held back the recovery and solutions must be found."

Industry RPKs per IATA³



Aircraft Values⁴

So far in 2023, there has been a rising trend in values for both new and used narrowbody and widebody aircraft. This is partly due to the increase in demand for new aircraft, which is supported by a significant number of new orders from OEMs. Supply chain restrictions means that OEMs are sold out until close to the end of the decade for narrowbody aircraft (like the A320) and widebody availability is also restricted. Additionally, the upstream commodity and labour inflationary pressures have resulted in significant escalation in OEM pricing, driving up values and lease rates for new aircraft while also positively

² IATA September 2023 Passenger Market Analysis.

³ IATA Sustainability and Economics, IATA Monthly Statistics, Air Passenger Market Analysis September 2023.

⁴ <https://www.adsadvance.co.uk/iba-reports-strong-commercial-aircraft-orders-and-recovering-values.html>

Asset Manager's Report (continued)

impacting values for used aircraft. Maintenance, repair and overhaul facilities are at capacity for years to come, which slows down the return of COVID stored aircraft.

The OEM supply chain delays and labour shortages have shifted a focus to airlines retaining existing fleets, reactivating stored aircraft and bringing in previous-generation aircraft to add capacity to their network. Additionally, new generation engines have experienced issues which have been keeping many aircraft on ground and in turn reviving demand for narrowbodies like the Boeing 737-800 and Airbus A320neo. These have been an important source of capacity for airlines filling in their Northern Hemisphere schedules. The used widebody segment has benefitted greatly from the resurgence of long-haul travel particularly in the premium leisure sector. Expiring leases for Boeing 777-300ERs, for example, have seen extensions with different operators such as Emirates, Turkish Airlines, and Qatar Airways amongst others.

These forces are likely to continue for a few years, short of a global recession or increased geopolitical instability that could significantly reduce travel demand.

Emirates

Financial Highlights⁵

Income Statement	HY 2023/2024	YoY Change
Revenue	US\$ 16.2bn	▲ 19%
EBITDA	US\$ 5.3bn	▲ 33%
Profit / (Loss)	US\$ 2.6bn	▲ 134%
Cash Assets	US\$ 10.4bn	▲ 2%
Passengers carried	26.1m	▲ 31%
Available seat km	171.5bn	▲ 30%

His Highness Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive, Emirates Airline and Group, said "We are seeing the fruition of our plans to return stronger and better from the dark days of the pandemic. The Group has surpassed previous records to report our best-ever half-year performance. Our profit for the first six months of 2023-2024 has nearly matched our record full year profit in 2022-2023."

"For the second half of 2023-2024, we expect customer demand across our business divisions to remain healthy and we will stay agile in how we deploy our resources in this dynamic marketplace."

Operational Highlights

Emirates continued to increase its global flight operations, adding capacity and connections through its Dubai hub to meet customer demand across markets. During the first half of 2023-2024, the airline restored A380 operations to Bali, Beijing, Birmingham, Casablanca, Nice, Shanghai, and Taiwan.

Expanding connectivity options for customers, Emirates entered and enhanced codeshare or interline agreements with eight airlines in the first six months of 2023-2024: Aegean Airlines, Air Canada, Etihad Airways, Kenya Airways, Philippine Airlines, Maldivian, Sri Lankan Airlines, and United Airlines. The codeshare partnership between Emirates and Qantas, which has seen over 15 million travelers benefit from joint flight itineraries since its establishment in 2013, received approvals for a further 5-year extension until 2027.

By 30 September 2023, the airline was operating passenger and cargo services to 144 airports, utilising its entire Boeing 777 fleet and 104 A380s out of its 116. During the first six months of 2023-2024, ten A380 aircraft rolled out of Emirates' retrofit programme with completely refreshed cabin interiors and latest onboard products including Premium Economy seats. This enabled the airline to deploy its highly sought-after Premium Economy services on more new routes including New York JFK, Houston, San Francisco, Los Angeles, and Singapore. Emirates has selected MSN 187, MSN 201, MSN 206, and MSN 208 from the Company's A380 fleet for the retrofit programme.

⁵ US\$ figures are converted at US\$ 1 = AED 3.67 as per Bloomberg FX.

Asset Manager's Report (continued)

Thai Airways International

Financial Highlights⁶

Income Statement	Jan-Sep 2023	YoY Change
Revenue	US\$ 3.0bn	▲ 79%
Expenses	US\$ 2.2bn	▲ 35%
Profit / (Loss)	US\$ 0.4bn	▲ N/A ⁷
Cash Assets	US\$ 1.4bn	▲ 55%
Passengers carried	6.5m	▲ 1.4x
Available seat km	36.7bn	▲ 57%

Rehabilitation Plan

On 26 May 2020, Thai submitted to the Central Bankruptcy Court of Thailand a petition to file for rehabilitation in order to implement measures to cut costs and to stabilise revenues so that they could ensure the future of the airline. On 20 October 2022, the Court approved an amendment to the Rehabilitation Plan, which involves a capital restructuring. The Plan Administrator and executives are confident that the business reorganisation under the Plan will be implemented smoothly for the benefit of creditors.

Operational Highlights

Thai Airways continues to expand its operations introducing a flight to Sapporo (Japan) to support passenger demand. The airline received an A350-900 which became operational on 1 November 2023, now serving routes to China.

In order to accommodate passenger demand, the airline is focused on integrating the twenty A320-200s from its subsidiary Thai Smile, and it aims to complete the transfer of all aircraft by the end of Q1'2024. The airline has so far received three A320-200s from Thai Smile, bringing the total to six aircraft to operating on international routes, which include: Delhi, Mumbai, Dhaka, and Kolkata from 15 October 2023. Thai Airways will also replace Thai Smile's operations on other routes including Yangon, Vientiane, Phnom Penh, Ahmedabad, as well as Kaohsiung and Penang from 15 October 2023 onwards.

Thai Airways continues to sell non-core assets such as two B747-400s, one A340-600 and one spare engine as well as real estate overseas, which includes a residence in Jakarta (Indonesia) and a sales office in Manila (Philippines). The airline has put up all six of its A380s for sale in an "as-is, where-is" condition. An invitation to bid has been sent out to all interested parties. However, a sale is subject to a final approval of Thai's Plan Administrator, as the sale is conducted under The Bankruptcy Court's order.

Mr. Chai Eamsiri, the Chief Executive Officer of Thai Airways, added that the carrier's cabin load factor on flights from China is expected to jump by 75% in Q4'2023, due to the visa-exemption scheme for Chinese citizens, which will be in effect until 29 February 2024. This scheme has resulted in a surge of reservations on Chinese travel booking platforms, such as Ctrip and Tuniu.

⁶ US\$ figures are converted at 1 THB = US\$ 0.027334 as of 30 September 2023 as per Bloomberg FX.

⁷ Jan-Sept 2022 recorded a loss.

Environmental, Social and Governance Policy

Introduction

The Company recognises that Shareholders and other stakeholders have a growing interest in the ESG considerations resulting from its business. Here we set out our current policy and approach to ensuring that the Company's level of engagement on ESG matters is commensurate with the size, nature and complexity of its business.

This Company's current policy seeks to address today's ESG considerations, noting that it was incorporated in 2015 with a business model designed to run for twelve years without interruption. Subsequent acquisitions of aircraft and renegotiation of leases have pushed that end date out to 2036 for certain Assets.

The Company has adopted a policy to take account of ESG expectations where possible and applicable although recognising that it is severely constrained by the nature of the Company's activities and the contracts that it has already entered into.

The Company has granted "quiet enjoyment" of its aircraft to its lessees, Emirates and Thai Airways. Shareholders are invited to review the environmental and sustainability criteria published by Emirates in their most recent annual report and the statements made by Thai Airways on its website.

The Company

The Company is a Guernsey company incorporated on 16 January 2015.

The Company is governed by its Board on behalf of its Shareholders. Five of the six Directors are independent and all are non-executive. The Board has overall responsibility for the Company's activities, including all business decisions and the declaration of distributions.

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

- arranging the financing, acquisition and disposal of aircraft and the management of such aircraft whilst owned by the Group to the Asset Manager;
- arranging meetings with major Shareholders to discuss proposed developments in relation to the Company and providing feedback to the Board to the Corporate Broker;
- company secretarial, administration and accounting services to the Secretary and Administrator; and
- share registration services to the Registrar.

The Company has no executive directors, or employees and for all purposes its business is operating out of its registered office, which is also the office of the Secretary in Guernsey. The Board conducts the Company's business via a series of meetings held in Guernsey or, where good governance principles can be achieved, via a video link.

Sometimes Directors are required to travel in the fulfilment of their duties but, where good governance allows, travel is kept to a minimum. The Directors are required to travel to Guernsey on at least a quarterly basis for Board meetings, to the UK to visit Shareholders and service providers as and when required and very occasionally, to the Middle East or Asia to meet lessees.

The Company's own operations consequently have a limited physical footprint and therefore its direct environmental impact is low.

The Board of Directors

The Board recognises the importance of gender diversity and ethnic inclusion. The Board takes such considerations into account when searching for new directors. The Company's vision for diversity is shared by its service providers.

As a Guernsey incorporated company and under the DGTRs of the UK's FCA, the Company is not required to comply with the UK Code, but has instead chosen voluntarily to comply with the provisions of the AIC Code, to the extent that they are considered relevant.

The Board has adopted a comply or explain approach to the AIC Code and any exceptions are reported in the Directors' Report section of these accounts.

Environmental, Social and Governance Policy (continued)

The Board has considered and determined the following two additional policies:

- there are no relevant disclosures to be made regarding modern slavery in relation to the Company's own operations; and
- the Board takes a zero-tolerance approach to bribery and corruption; and has procured from all service providers their own similar undertaking.

Finally, the Board monitors potential conflicts of interest closely and has engaged with its service providers to request them to do the same and to adopt appropriate policies to deal with such matters.

The Assets

The principal activity of the Group is to acquire, lease and then sell aircraft. The Group currently owns six A380-800 aircraft, two 777-300ER aircraft and four A350-900 aircraft. The six A380s and the two 777 aircraft are leased to Emirates and the four A350 aircraft are leased to Thai Airways.

The nature of the leases entered into with these lessees means that the Group has no influence whatsoever in the use of the relevant aircraft by each lessee; each such lease is for a fixed term and is non-cancellable. The terms of each lease were fixed when they were entered into and afford the lessees "quiet enjoyment" of the relevant aircraft for the duration of the lease term; whilst ensuring each aircraft is maintained to the highest standard and remains as efficient as possible.

In the unlikely event that the Company has to scrap an aircraft at the end of the applicable lease, its intention is to ensure that as much of the aircraft as is economically possible is reused or recycled.

The Aviation Industry

The increased focus on climate change and greenhouse gas emissions inevitably means that further attention has landed on the aviation industry and its emissions profile. In this regard the Company is fortunate to have two responsible flag carrying airlines as its lessees, who each demonstrate on their websites a considerable amount of concern for their respective businesses' environmental and social impact. The following links to their websites explain this:

Emirates: <https://www.emirates.com/english/about-us/>

Thai Airways: https://www.thaiairways.com/en_GB/about_thai/company_profile/index.page

In October 2021, the IATA 77th Annual General Meeting approved a resolution for the global air transport industry to achieve net-zero carbon emissions by 2050. This commitment will align with the Paris Agreement goal for global warming not to exceed 1.5°C. The strategy is to abate as much CO₂ as possible from in-sector solutions such as sustainable aviation fuels, new aircraft technology, more efficient operations and infrastructure, and the development of new zero-emissions energy sources such as electric and hydrogen power. Any emissions that cannot be eliminated at source will be eliminated through out-of-sector options such as carbon capture and storage and credible offsetting schemes.

Both the Company's lessees support the airline industry's collective commitment to reach net-zero emissions by 2050 and are exploring opportunities to reach this goal such as using SAF. Emirates is working closely with Shell Aviation for SAF supply and on 24 October was among the first to operate a flight to Sydney with SAF. Thai Airways is leading a similar initiative and in May 2023 signed a Memorandum of Understanding on the exchange of technical knowledge and expertise on the use of SAF with Bangchak Corporation PLC, one of Thailand's leaders in energy transition.

The Group's choice of aircraft was among the most environmentally efficient jet aircraft in service at the time of acquisition.

In the context of the aircraft the Group owns, and their associated leases, the Board will continue to monitor the sustainability efforts of the industry and the lessees and will continue to have regard to environmental concerns when considering any future changes to the Group's existing contracts.

Board of Directors

As at 30 September 2023, the Company had six directors, five of whom are independent and all of whom are non-executive. All Directors held office throughout the period under review.

Robin Hallam (Chairman) (Independent non-executive)

Until 31 December 2015, Robin Hallam was a partner and co-head of Asset Finance at the international law firm Hogan Lovells International LLP. He became a partner in 1995 specialising in aircraft finance, particularly leasing, export credit and structured financing. Between January and December 2016, Robin was a consultant at Hogan Lovells. He has represented financial institutions, operating lessors, investors, airlines and export credit agencies. Robin holds a degree in law from Trinity College, Cambridge, is a member of the ISTAT and was ranked Band 1 for Asset Finance in Chambers UK 2015. Robin was appointed to the Board as Chairman on 29 April 2015.

David Gelber (SID) (Independent non-executive)

David Gelber began his career with Citibank in London in 1974. Over the course of the next twenty years he held a variety of trading roles in foreign exchange, fixed income and derivatives at Citibank, Chemical Bank and HSBC where he was Chief Operating Officer of HSBC Global Markets. In 1994 he joined ICAP PLC, an inter-dealer broker, as Chief Operating Officer and oversaw two mergers and a number of acquisitions. Since retiring from ICAP he has held several non-executive directorships of both public and private companies. He is currently a non-executive director of Walker Crips PLC, a stock broker and wealth manager; and DDCAP Ltd, the leading arranger of Sharia Compliant financial transactions. He is a founding partner of Castellain Capital LLP, a successful fund management firm. David holds a BSc in Statistics and Law from the University of Jerusalem and an MSc in Computer Science from the University of London. David was appointed as director on 29 April 2015.

Laurence Barron (Independent non-executive)

Having begun his career as a commercial lawyer in Paris and then in Tokyo, where he first became involved in aircraft financing transactions, Laurence joined Airbus in 1982 as an in-house lawyer specialising in aircraft finance. He subsequently moved to the business side when, in 1984, he was appointed Sales Finance Director North America, becoming Head of Sales Finance in 1985, and then, in 1987, Vice President of Customer Finance. In 1994, he was asked to set up the Asset Management Organisation within Airbus and that year became Vice President and Head of Asset Management. Airbus Asset Management has full responsibility for all used aircraft transactions at Airbus and acts as an in-house leasing company for the used Airbus aircraft owned or controlled by the Airbus group of companies. In 2001 he was promoted to Senior Vice President of Airbus before assuming the role of President of Airbus China in 2004, with responsibility for Airbus' overall activities in the People's Republic of China. In January 2013, Laurence was appointed Chairman of EADS China, now rebranded Airbus China. Laurence retired from salaried Airbus employment at the end of April 2016 and was non-executive Chairman of Airbus China until the end of 2017. He holds an LLB from Bristol University Law Faculty. Laurence was appointed as director on 2 June 2016.

Steve Le Page (Chairman of the Audit Committee) (Independent non-executive)

Steve has served as a non-executive director on a number of boards since his retirement from his role as Senior Partner (equivalent to Executive Chairman) of PwC in the Channel Islands in 2013. Throughout his thirty year career with that firm he worked with many different types of financial organisation as both auditor and advisor, particularly with both listed and unlisted investment companies. He is currently the Audit Committee Chair of three other London-listed funds. Mr Le Page is a Fellow of the Institute of Chartered Accountants in England and Wales and a Chartered Tax Advisor. He is a past president of the Guernsey Society of Chartered and Certified Accountants and a past Chairman of the Guernsey International Business Association. Steve was appointed as director and chairman of the Audit Committee on 27 July 2021.

Mary Gavigan (Independent non-executive)

Mary is a Fellow of the Institute of Chartered Accountants in England and Wales. She has specialised in the Financial Services sector for over 25 years acting as consultant and advisor with a focus on restructuring and business transformation. She has also held interim Chief Finance Officer roles during her career. Mary spent most of her career at KPMG London (from 1987 to 2007). Mary is also a Non-Executive Director of a life insurer, a reinsurer and of an investment platform business. She chairs the Audit and Risk Committee at two of these firms. Mary's charity work includes being a member of Epilepsy Research UK. Mary holds a BBS and MA from Trinity College Dublin. Mary was appointed as director and a member of the Audit Committee on 27 July 2021.

Board of Directors (continued)

Tom Sharp (Non-executive)

Tom is the Chief Investment Officer of Metage Capital Limited, a 6.85 per cent Shareholder in the Company and an experienced non-executive director of both public and private companies. He has worked at Metage since 2002 and his career has included working with firms listed on AIM and the main boards of the Hong Kong and Luxembourg Stock Exchanges. Tom has twenty years of experience in investing in listed closed-end funds, an ability to build consensus with a range of stakeholders and in structuring and negotiating commercial transactions. He holds an M.A. Hons from Cambridge University and is a CFA Charterholder. Tom was appointed as a director of the Company on 19 January 2023.

As the Metage shareholding is considered "significant", Tom is not independent under the criteria set out by the AIC Code.

Interim Management Report

A description of important events that have occurred during the period from 1 April 2023 to 30 September 2023, their impact on the Unaudited Consolidated Condensed Interim Financial Statements and a description of the principal risks and uncertainties facing the Group, together with an indication of important events that have occurred since the end of the period under review and which are likely to affect the Group's future development are included in the Chairman's Statement, the Asset Manager's Report, this Interim Management Report and the Notes to the Unaudited Consolidated Condensed Interim Financial Statements contained on pages 22 to 41 and are incorporated herein by reference.

There were no other events or changes in the related parties and transactions with those parties during the period under review which had or could have had, a material impact on the financial position and performance of the Group, other than those disclosed in the Unaudited Consolidated Condensed Interim Financial Statements.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Group are unchanged from those disclosed in the Group's Annual Financial Report for the year ended 31 March 2023. As stated in the Annual Financial Report for the year ended 31 March 2023, macroeconomic developments (including increasing interest rates, high levels of inflation and increased fuel prices) have not had any adverse direct impact on the Company, despite their impact on the airline industry generally and therefore on our lessees. This is demonstrated by the fact that the Company has continued to receive rents due on time.

Going Concern

The financial position of the Group is set out on page 19. In addition, note 21 to the Unaudited Consolidated Condensed Interim Financial Statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit risk and liquidity risk.

The Directors have prepared these Unaudited Consolidated Condensed Interim Financial Statements for the period from 1 April 2023 to 30 September 2023 on the going concern basis.

In their consideration of the appropriateness of the going concern basis, the Directors have taken account of the fact that the Group has always received the lease payments due from Emirates Airlines, the Group's principal lessee, in full and on time. In addition, the Company's other lessee, Thai Airways, has met its obligations under restructured and extended leases since 2021. Cash flow modelling carried out has indicated that future lease receipts will enable the Group to meet its obligations as they fall due for at least the next twelve months from the date of signing these Unaudited Consolidated Condensed Interim Financial Statements.

On the basis of (i) the Group's current liquid assets, (ii) cash-flow projections, and (iii) the continued improvement of the landscape for travel, the Directors believe that the going concern basis of accounting is appropriate.

Responsibility Statement

The Directors confirm that to the best of their knowledge:

- the Unaudited Consolidated Condensed Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting;
- the Half-Yearly Report (which includes the Summary Information, Chairman's Statement, Asset Manager's Report, ESG Policy, Board of Directors and Interim Management Report) includes a fair review of the information required by
 - (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
 - (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and any changes in the related party transactions described in the last annual report that could do so.

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

Signed on behalf of the Board of Directors of the Company on 19 December 2023.

Steve Le Page
Director

Independent Review Report for Amedeo Air Four Plus Limited

Conclusion

We have been engaged by Amedeo Air Four Plus Limited ("the Company") to review the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 September 2023 of the Company and its subsidiaries (together, the "Group"), which comprises the unaudited consolidated condensed interim statement of comprehensive income, the unaudited consolidated condensed interim statement of financial position, the unaudited consolidated condensed interim statement of cash flows, the unaudited consolidated condensed interim statement of changes in equity and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly report for the six months ended 30 September 2023 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting and Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (UK) 2410") issued by the Financial Reporting Council for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of consolidated financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Scope of review section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2 (a), the annual consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards. The directors are responsible for preparing the condensed set of consolidated financial statements included in the half-yearly financial report in accordance with IAS 34 Interim Financial Reporting.

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

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of consolidated financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the scope of review paragraph of this report.

Independent Review Report for Amedeo Air Four Plus Limited (continued)

The purpose of our review work and to whom we owe our responsibility

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

David Alexander

for and on behalf of

KPMG Channel Islands Limited

Chartered Accountants and Recognised Auditors

Guernsey

19 December 2023

Unaudited Consolidated Condensed Interim Statement of Comprehensive Income

for the period from 1 April 2023 to 30 September 2023

	Notes	1 Apr 2023 to 30 Sep 2023 GBP	1 Apr 2022 to 30 Sep 2022 GBP
INCOME			
US Dollar based rental income	4	73,823,736	88,414,747
British Pound based rental income	4	17,353,736	17,384,855
		91,177,472	105,799,602
EXPENSES			
Operating expenses	5	(2,255,071)	(2,385,274)
Depreciation and amortisation of aircraft	7	(62,259,174)	(63,736,511)
Expected credit loss written back	11	127,042	–
		(64,387,203)	(66,121,785)
Net profit for the period before finance income, finance costs and foreign exchange gains		26,790,269	39,677,817
FINANCE INCOME			
Finance income	8	14,502,441	35,320,637
FINANCE COSTS			
Finance costs	9	(17,867,269)	(20,311,633)
Foreign exchange (loss) / gains		(443,100)	1,123,422
Profit for the period before tax		22,982,341	55,810,243
Income tax expense		(16,527)	(12,716)
Profit for the period after tax		22,965,814	55,797,527
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Translation adjustment on foreign operations		3,569,189	46,273,648
Total comprehensive income for the period		26,535,003	102,071,175
		Pence	Pence
Earnings per share for the period – basic and diluted	10	7.56	16.07

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

The notes on pages 22 to 41 form an integral part of these Unaudited Consolidated Condensed Interim Financial Statements.

Unaudited Consolidated Condensed Interim Statement of Financial Position

as at 30 September 2023

	Notes	30 Sep 2023 GBP	31 Mar 2023 GBP
NON-CURRENT ASSETS			
Aircraft	7	1,110,330,246	1,161,509,286
Trade and other receivables	12	18,693,258	17,972,187
Derivatives at fair value through profit and loss	20	55,682,431	44,599,777
Deferred tax		41,238	54,210
Accrued income	11	33,803,619	34,858,268
		1,218,550,792	1,258,993,728
CURRENT ASSETS			
Accrued income	11	3,746,485	3,704,760
Short term investments	13	12,712,180	10,719,241
Trade and other receivables	12	877,194	111,110
Cash and cash equivalents	14	124,016,525	116,607,126
		141,352,384	131,142,237
TOTAL ASSETS		1,359,903,176	1,390,135,965
CURRENT LIABILITIES			
Payables	16	158,717	215,370
Deferred income	11	5,632,397	5,628,215
Maintenance provisions	15	62,520,013	45,539,816
Borrowings	17	112,933,855	109,878,152
		181,244,982	161,261,553
NON-CURRENT LIABILITIES			
Maintenance provisions	15	12,087,203	24,699,887
Borrowings	17	794,102,856	845,529,430
Deferred income	11	15,243,383	17,318,868
		821,433,442	887,548,185
TOTAL LIABILITIES		1,002,678,424	1,048,809,738
TOTAL NET ASSETS		357,224,752	341,326,227
EQUITY			
Share capital	18	492,981,504	492,981,504
Foreign currency translation reserve		50,045,075	46,475,886
Retained deficit		(185,801,827)	(198,131,163)
		357,224,752	341,326,227
		Pence	Pence
Net Asset Value Per Share based on 303,899,361 (2023: 303,899,361) shares in issue		117.55	112.32

The USD/GBP exchange rate was 1.21996 as at 30 September 2023 (31 March 2023: 1.2337)

The Unaudited Consolidated Condensed Interim Financial Statements were approved by the Board of Directors and authorised for issue on 19 December 2023 and are signed on its behalf by:

Robin Hallam, Chairman

The notes on pages 22 to 41 form an integral part of these Unaudited Consolidated Condensed Interim Financial Statements.

Unaudited Consolidated Condensed Interim Statement of Cash Flows

for the period from 1 April 2023 to 30 September 2023

	Notes	1 Apr 2023 to 30 Sep 2023 GBP	1 Apr 2022 to 30 Sep 2022 GBP
OPERATING ACTIVITIES			
Profit for the period after tax		22,965,814	55,797,527
Interest income		(2,831,301)	(825,683)
Depreciation and amortisation of aircraft	7	62,259,174	63,736,511
Gain on interest rate cap		(429,808)	(101,874)
Expected credit loss		(127,042)	–
Taxation expense		16,527	12,716
Loan interest payable	9	17,089,013	19,505,019
Fair value adjustments on financial assets	8	(11,099,712)	(34,255,397)
Foreign exchange movement		443,100	(1,123,422)
Amortisation of debt arrangement costs	9	778,256	806,614
Increase in accrued income		(2,074,096)	(17,023,653)
Increase/(Decrease) in deferred income		185,442	(2,176,728)
(Decrease)/Increase in payables		(43,681)	62,251
Maintenance reserves received	15	3,476,658	3,675,945
Increase in receivables		(321,270)	(2,040,872)
NET CASH FROM OPERATING ACTIVITIES		90,287,074	86,048,954
INVESTING ACTIVITIES			
Investment in short term deposits	13	(12,712,180)	(8,822,337)
Withdrawal from short term deposits	13	10,719,241	20,770,215
Interest received	8	2,831,301	825,683
NET CASH FROM INVESTING ACTIVITIES		838,362	12,773,561
FINANCING ACTIVITIES			
Dividends paid	19	(10,636,478)	(8,682,837)
Repayments of capital on senior loans		(55,384,063)	(45,558,509)
Payments of interest on senior loans		(13,734,130)	(14,441,003)
Payments of interest on junior loans		(5,628,496)	(5,796,009)
Security trustee and agency fees	9	(106,467)	(109,483)
Gain received on derivatives		491,971	144,593
NET CASH USED IN FINANCING ACTIVITIES		(84,997,663)	(74,443,248)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD			
		116,607,126	101,644,952
Increase in cash and cash equivalents		6,127,773	24,379,267
Effects of foreign exchange rates		1,281,626	19,850,010
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14	124,016,525	145,874,229

The notes on pages 22 to 41 form an integral part of these Unaudited Consolidated Condensed Interim Financial Statements.

Unaudited Consolidated Condensed Interim Statement of Changes in Equity

for the period from 1 April 2023 to 30 September 2023

	Notes	Share capital GBP	Retained deficit GBP	Foreign currency translation reserve GBP	Total GBP
Balance as at 1 April 2023		492,981,504	(198,131,163)	46,475,886	341,326,227
Profit for the period		–	22,965,814	–	22,965,814
Other comprehensive income for the period		–	–	3,569,189	3,569,189
Total comprehensive income for the period		492,981,504	(175,165,349)	50,045,075	367,861,230
Transactions with owners of the Company:					
Dividends paid	19	–	(10,636,478)	–	(10,636,478)
Balance as at 30 September 2023		492,981,504	(185,801,827)	50,045,075	357,224,752

	Notes	Share capital GBP	Retained deficit GBP	Foreign currency translation reserve GBP	Total GBP
Balance as at 1 April 2022		520,983,612	(237,840,161)	30,620,605	313,764,056
Profit for the period		–	55,797,527	–	55,797,527
Other comprehensive income for the period		–	–	46,273,648	46,273,648
Total comprehensive income for the period		520,983,612	55,797,527	46,273,648	102,071,175
Transactions with owners of the Company:					
Dividends paid	19	–	(8,682,837)	–	(8,682,837)
Balance as at 30 September 2022		520,983,612	(190,725,471)	76,894,253	407,152,394

The notes on pages 22 to 41 form an integral part of these Unaudited Consolidated Condensed Interim Financial Statements.

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023

1. GENERAL INFORMATION

The consolidated financial information incorporates the results of Amedeo Air Four Plus Limited (the "Company") and its Guernsey Subsidiaries, AA4P Alpha Limited, AA4P Beta Limited, AA4P Gamma Limited, AA4P Delta Limited, AA4P Epsilon Limited, AA4P Zeta Limited, AA4P Eta Limited, AA4P Theta Limited, AA4P Lambda Limited, AA4P Mu Limited, AA4P Nu Limited and AA4P Xi Limited, and its Irish Subsidiaries, AA4P Leasing Ireland Limited and AA4P Leasing Ireland 2 Limited (each a "Subsidiary" and together the "Subsidiaries") (together the Company and the Subsidiaries are known as the "Group").

The Company was incorporated in Guernsey on 16 January 2015 with registered number 59675. Its share capital consists of one class of redeemable ordinary shares. The Shares are admitted to trading on the SFS of the London Stock Exchange's Main Market. The Company and the Guernsey Subsidiaries are tax residents in Guernsey. AA4P Leasing Ireland Limited and AA4P Leasing Ireland 2 Limited are Irish tax resident trading companies.

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

Since the completion of its initial public offering on 13 May 2015, the Company has acquired eight Airbus A380, two Boeing 777-300ER, four Airbus A350-900 and has sold two Airbus A380 aircraft. Eight of the remaining aircraft are leased to Emirates and four aircraft are leased to Thai Airways. All aircraft are leased for a period of 12 years from each respective delivery date, except the four aircraft leased to Thai Airways, where the lease agreements were extended by 72 months. In order to complete the purchase of these aircraft, subsidiaries of the Company entered into debt financing arrangements which, together with the equity proceeds were used to finance the acquisition of the aircraft.

Rental income received is used to pay loan interest and regular capital repayments of debt. US Dollar lease rentals are furthermore fixed (except for PBH rent which was received until 31 December 2022), most loan repayments are also fixed except for some loan repayments which make use of interest rate swaps and interest rate caps. At the outset of the Group's acquisition of an aircraft the lease rentals are very similar in amount and timing to the debt payments except for the repayment of bullet and balloon repayments of principal due on the final maturity of a loan.

2. ACCOUNTING POLICIES

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

(a) Basis of preparation

The Unaudited Consolidated Condensed Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as approved by the IASB.

These Unaudited Consolidated Condensed Interim Financial Statements are to be read in conjunction with the Consolidated Annual Financial Report for the year ended 31 March 2023 which is prepared in accordance with International Financial Reporting Standards and any public announcements made by the Company during the interim reporting period. The report does not include all of the information required for a complete set of financial statements prepared in accordance with IFRS. However, selected accounting policies and explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The comparative period for the Unaudited Consolidated Condensed Interim Statement of Comprehensive Income, Unaudited Consolidated Condensed Interim Statement of Cash Flows, Unaudited Consolidated Condensed Interim Statement of Changes in Equity and the related notes was from 1 April 2022 to 30 September 2022. The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out below.

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

The following Standards and Interpretations issued by the IASB and IFRIC have been adopted in the current period. The adoption has not had any significant impact on the amounts reported in these Consolidated Financial Statements and is not expected to have any impact on future financial periods:

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

2. ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

Amendments to IAS 1 'Presentation of financial statements' and IAS 8 'Accounting policies, changes in accounting estimates and error' on definition of material. These amendments to IAS 1, IAS 8 and consequential amendments to other IFRSs:

- use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;
- clarify the explanation of the definition of material; and
- incorporate some of the guidance in IAS 1 about immateriality information.

Definition of Accounting Estimates (Amendments to IAS 8) – The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) – The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 – The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction – These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

New and Revised Standards in issue but not yet effective

Classification of Liabilities as Current or Non-current – Deferral of Effective Date (Amendment to IAS 1) – The amendment defers the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2024. The standard is not expected to have a material impact on the financial statements or performance of the Group.

(b) Foreign currency translation

The currency of the primary economic environment in which the Company operates (the functional currency) is GBP which is also the presentation currency. The Subsidiaries of the Company all have the same functional currency being US Dollar.

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

Retranslation of subsidiaries:

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 Unaudited Consolidated Condensed Interim Statement of Comprehensive Income.

On consolidation the financial statements of foreign subsidiaries whose functional currency is not GBP are translated into GBP as follows: statement of financial position items are translated into GBP at the period end exchange rate; statement of comprehensive income items are translated into GBP at the exchange rates applicable at the transaction dates or at the average exchange rates at each respective quarter end, as long as this is not rendered inappropriate as a basis for translation by major fluctuations in the exchange rate during the period; unrealised gains and losses arising from the translation of the financial statements of foreign subsidiaries are recorded under "Translation adjustment on foreign operations" in other comprehensive income to be reclassified to income. The cumulative gains and losses arising from the translation of the financial statements of foreign subsidiaries are reclassified to profit and loss on disposal or liquidation of foreign subsidiaries.

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

2. ACCOUNTING POLICIES (continued)

(c) Going concern

The Directors have prepared these Unaudited Consolidated Condensed Interim Financial Statements for the period ended 30 September 2023 on the going concern basis.

In their consideration of the appropriateness of the going concern basis, the Directors have taken account of the fact that the Group has always received the lease payments due from Emirates Airlines, the Group's principal lessee, in full and on time. In addition, the Company's other lessee, Thai Airways, has met its obligations under restructured and extended leases since 2021. Having entered into a bankruptcy protection process under Thai Law during 2020, Thai met its obligations under the leases revised in 2021 by paying PBH rentals until 31 December 2022 and fixed rentals from 1 January 2023. On 20 October 2022, the Court approved an amendment to the Rehabilitation Plan, which involves a capital restructuring. The Plan Administrator and executives are confident that the business reorganisation under the Plan will be implemented smoothly for the benefit of creditors.

On 17 May 2023, the creditors' committee approved the restructuring of Thai's aviation business group according to the guidelines proposed by the rehabilitation plan administrators and the management. The main objective was to increase the efficiency of Thai Airways fleet management by merging assets held under its subsidiary Thai Smile. This process has been initiated and Thai Airways aims to complete the transfer of all 20 A320-200s owned by Thai Smile by Q1 2024.

Thai Airways has hinted that the book value of its equity will return to being positive in 2024 and the airline's securities will be able to resume trading on the stock market in 2025.

Cash flow modelling carried out has indicated that future lease receipts will enable the Group to meet its obligations as they fall due for at least the next twelve months from the date of signing these Unaudited Consolidated Condensed Interim Financial Statements.

On the basis of (i) the Group's current liquid assets, (ii) cash-flow projections, and (iii) the continued improvement of the landscape for travel, the Directors believe that the going concern basis of accounting is appropriate.

(d) Rental income

The leases relating to the Assets have been classified as operating leases as the terms of the leases do not transfer substantially all the risks and rewards of ownership to the lessee. The Assets are shown as non-current assets in the Unaudited Consolidated Condensed Interim Statement of Financial Position.

Rental income and advance lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased Asset and amortised on a straight-line basis over the lease term. PBH rent was paid up until 31 December 2022, after which fixed rent per aircraft is payable up until the original expiry date of the lease agreements. The lease agreements were also extended by 72 months. During the extended lease term an amount to be agreed in writing between the lessee and the lessor, will be paid.

The deferred and accrued income represents the difference between actual payments received in respect of the lease income (including some received in full upfront) and the amount to be accounted for in the accounting records on a straight-line basis over the lease terms. The liability in relation to deferred income will reduce over time as the leases continue and approach the end of the lease terms.

(e) Property, plant and equipment – Aircraft

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

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

2. ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment – Aircraft (continued)

(a) Depreciation

Depreciation is recognised so as to write off the cost of each Asset less the estimated residual value over the lease term of the Asset, using the straight line method. The residual values, which are arrived at by taking the average amount as per three independent external valuers after taking into account disposition fees, are reviewed annually in March and are an estimate of the present value of the amount the entity would receive if the Assets were already of the age and condition they are expected to be in at the end of the lease. The depreciation method is consistent with the depreciation method used as at 31 March 2023. The Group will again be carrying out a full and thorough appraisal of residual values come the next March financial year end.

Depreciation starts when the asset is available for use.

(b) Impairment

At each financial period end date, the Group reviews the carrying amounts of its Assets to determine whether there is any indication that those Assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the Asset is estimated to determine the extent of the impairment loss (if any). Further details are given in note 3.

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

If the recoverable amount of an 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 the Consolidated Statement of Comprehensive Income. 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 the Consolidated Statement of Comprehensive Income.

(f) Financial assets and financial liabilities

(a) Classification

The Group classified its financial assets and financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Consolidated Statement of Comprehensive Income); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in the Consolidated Statement of Comprehensive Income.

The interest rate swaps and interest rate caps in the Group are measured at FVTPL as they are managed on a fair value basis in accordance with a documented investment strategy and accordingly they will be mandatorily measured at FVTPL under IFRS 9. The Group does not classify any derivatives as hedges in a hedging relationship.

(b) Recognition/derecognition

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are derecognised if the Group's obligations, specified in the contract, expire or are discharged or cancelled.

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

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

2. ACCOUNTING POLICIES (continued)

(f) Financial assets and financial liabilities (continued)

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the Unaudited Consolidated Condensed Interim Statement of Comprehensive Income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets

Subsequent measurement of financial assets depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its financial assets into the following measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the Unaudited Consolidated Condensed Interim Statement of Comprehensive Income and presented in other gains/ (losses), together with foreign exchange gains and losses. Provision for impairment losses are presented as a separate line item in the Unaudited Consolidated Condensed Interim Statement of Comprehensive Income.

Financial assets currently measured at amortised cost are cash and cash equivalents, receivables and short term investments. These instruments meet the solely principal and interest criterion and are held in a held-to-collect business model. Accordingly, they will continue to be measured at amortised cost under IFRS 9.

Derivative instruments

Changes in the fair value of financial assets at FVTPL are recognised in the Unaudited Consolidated Condensed Interim Statement of Comprehensive Income as applicable.

Financial assets and financial liabilities at FVTPL are initially recognised at fair value. Transaction costs are expensed in the Unaudited Consolidated Condensed Interim Statement of Comprehensive Income. Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at FVTPL' category are presented in the Unaudited Consolidated Condensed Interim Statement of Comprehensive Income in the period in which they arise.

(d) Impairment

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost. The Group measures loss allowances at an amount equal to lifetime ECL. Loss allowances for trade debtors and contract assets (which includes accrued income as per note 11) are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

When estimating any ECL arising on short term investments, the impairment methodology applied depends on whether there has been a significant increase in credit risk.

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

2. ACCOUNTING POLICIES (continued)

(f) Financial assets and financial liabilities (continued)

(d) Impairment (continued)

As per IFRS 9, a receivable has a low credit risk if:

- it has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term might, but will not necessarily, reduce the ability of the borrower to fulfil its obligations.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

For trade and other receivables and contract assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements. As such only the significant judgements and estimates are included that are significant to an understanding of the Group's financial position and performance during the period.

KEY SOURCES OF ESTIMATION UNCERTAINTY

Residual value of Aircraft used in depreciation calculation

As described in note 2 (e)(a), the Group depreciates the Assets on a straight-line basis over the term of the lease, after taking into consideration the estimated residual value. IAS 16 Property, Plant and Equipment requires residual value to be determined as an estimate of the amount that the Group would currently obtain from disposal of the Asset, after deducting the estimated costs of disposal, if it were of the age and condition expected at the end of the lease.

After consulting with the Asset Manager, the Directors have concluded that forecast values (determined annually from three independent expert aircraft valuers) based on MRC for the A380 aircraft at the end of the lease (excluding inflationary effects) best approximates residual value. MRC refer to the lease contracts whereby the aircraft is returned in a specified minimum life condition, which also includes estimated monetary compensation from Emirates.

In estimating residual value at the 31 March 2023 audited annual year end for the A350's and Boeing 777-300ER aircraft, the Directors have made reference to forecast market values using forecasted base values (excluding inflationary effects) for the aircraft obtained from three independent expert aircraft valuers. Base value is the appraiser's opinion of the underlying economic value of an aircraft, in an open, unrestricted, stable market environment with a reasonable balance of supply and demand. Full consideration is assumed of its "highest and best use" given the fact that the aircraft are held for use in a leasing business.

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Residual value of Aircraft used in depreciation calculation (continued)

An asset's base value is determined using the historical trend of values and in the projection of value trends and presumes an arm's-length, cash transaction between willing, able, and knowledgeable parties, acting prudently, with an absence of duress and with a reasonable period of time available for marketing. In the appraisers' valuations, the base value of an aircraft excludes reconfiguration costs and assumes the physical condition is average for an asset of its type and age and that all maintenance requirements and schedules have been met.

The estimation of residual value remains subject to uncertainty. If a reasonable possible change in residual value in USD terms, had for instance increased by 20%, the net profit/(loss) before exchange gains for the period would have increased and closing Shareholders' equity would have increased by approximately £6.66 million (30 September 2022: Increase by £6.28 million). A decrease in residual value by 20% would result in the net profit/(loss) before exchange gains for the period to decrease and closing Shareholders' equity would decrease by approximately £17.59 million (30 September 2022: Decreased by £6.28 million).

Impairment

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

As described in note 2(e), an impairment loss exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use. The Directors review the carrying amounts of the Assets at each audited reporting date and monitor the Assets for any indications of impairment as required by IAS 16 Property, Plant and Equipment and IAS 36 Impairment of Assets.

The Board has considered whether an impairment review needs to be carried out again at this juncture. Following discussions between the Board and the Asset Manager and having performed a review of the Group's Assets and lessees for the period ending 30 September 2023, it was determined that there have been no significant developments within the market that would trigger impairment, such as i) another wave of COVID, ii) increased lockdown/travel restrictions, iii) increased aircraft retirements or iv) introduction of new technology that would lead to increased competition. There has been a rise in significant global events such as i) Russian invasion of Ukraine, ii) inflation, and iii) high interest rate environment, however, there has been no notable change to the status of the Group's lessees, which would adversely impact operations or income received by the Group. Emirates continues to operate aircraft the airline owns on routes to Russia, whereas Thai does not operate such routes. Inflation and high travel costs can potentially impact the demand for travel and the business of the Company's lessees, however both Emirates and Thai have had positive performances during the interim period and anticipate a strong year end closing. These factors considered, the Group deems there have been no specific triggering events that would require a full impairment review and the assessment at 31 March 2023 remains valid. The Group will again be carrying out a full and thorough appraisal of residual values at the next March financial year end.

The Directors have also considered that market capitalisation at period end of £141,313,203 (31 March 2023: £131,284,524) is below Net Asset value of £357,224,752 (31 March 2023: £341,326,227) and have concluded that no further aircraft impairment charge is necessary due to the fact impairment was performed as at 31 March 2023. The impairment calculation used the inputs from competent aircraft appraisers while market capitalisation also reflects psychology of market participants, which is not relevant for aircraft impairment assessment at period end. Market capitalisation has also increased since 31 March 2023.

Expected credit losses with respect to trade receivables and the accrued income relating to the aircraft leased to Thai Airways

As at 30 September 2023 the Group re-assessed the credit risk of the accrued income relating to the aircraft leased to Thai Airways and therefore re-assessed the expected lifetime losses on the accrued income at year end (see note 11). For the estimation of the expected credit losses at period end, the Group considered both quantitative and qualitative information and analysis, based on the Group's historical experience and an informed credit assessment and including forward-looking information. The remaining trade receivables as at 30 September 2023 were considered fully recoverable, with any impairment losses on such assets not considered significant.

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

4. RENTAL INCOME

	1 Apr 2023 to 30 Sep 2023 GBP	1 Apr 2022 to 30 Sep 2022 GBP
US Dollar based rent income	71,947,323	69,228,324
Revenue earned but not yet received	2,019,134	16,971,895
Revenue received but not yet earned	(2,362,290)	(85,912)
	71,604,167	86,114,307
Amortisation of advanced rental income (US Dollar)	2,219,569	2,300,440
	73,823,736	88,414,747
British Pound based rent income	17,341,495	17,370,897
Revenue earned but not yet received	54,962	51,758
Revenue received but not yet earned	(42,721)	(37,800)
	17,353,736	17,384,855
Total rental income	91,177,472	105,799,602

Rental income is derived from the leasing of the Assets. US Dollar based rent represents rent received in USD and British Pound based rent represents rent received in GBP. Rental income received in USD is earned by the subsidiaries and is consolidated by translating it into the presentation currency (GBP) at the average exchange rates at each respective quarter end. The average USD/GBP exchange rate for the period was 1.2592 at 30 September 2023 (1.2164 at 30 September 2022).

An adjustment has been made to spread the actual total income receivable over the term of the leases. In addition, advance rentals received have also been spread over the full term of the leases.

The PBH rent for the period ended 30 September 2023 is £Nil (30 September 2022: £12,022,777).

5. OPERATING EXPENSES

	1 April 2023 to 30 Sep 2023 GBP	1 April 2022 to 30 Sep 2022 GBP
Corporate and Shareholder adviser fee	40,000	40,000
Asset management fee	1,579,070	1,560,459
Administration fees	175,345	183,415
Bank charges	4,299	4,847
Registrar's fee	8,616	7,143
Audit fee	68,569	64,422
Directors' remuneration	192,200	174,500
Directors' and Officers' insurance	97,832	102,778
Legal and professional expenses	36,102	136,805
Annual regulatory fees	–	937
Sundry costs	37,651	84,898
Cash management fee	15,387	25,070
	2,255,071	2,385,274

6. DIRECTORS' REMUNERATION

The independent directors' fees are £69,600 (30 September 2022: £65,000) per annum with the Chairman receiving an additional fee of £17,100 (30 September 2022: £16,000) per annum and the Chair of the Audit Committee an additional £ 8,600 (30 September 2022: £8,000) per annum.

Non-independent director's fees are £10,700 per annum.

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

7. PROPERTY, PLANT AND EQUIPMENT – AIRCRAFT

	Aircraft 1 April 2023 to 30 Sep 2023 GBP	Aircraft 1 April 2022 to 31 Mar 2023 GBP
COST		
Aircraft purchases – opening balance	1,927,735,270	1,927,735,270
Acquisition costs – opening balance	8,364,798	8,364,798
Translation adjustment on foreign operations-opening balance	263,806,090	129,681,811
Cost at beginning of period/year	2,199,906,158	2,065,781,879
Disposals	–	–
Translation adjustment on foreign operations-current period/year	24,776,806	134,124,279
Cost as at period/year end	2,224,682,964	2,199,906,158
	1 April 2023 to 30 Sep 2023 GBP	1 April 2022 to 31 Mar 2023 GBP
ACCUMULATED DEPRECIATION, IMPAIRMENT AND AMORTISATION		
Opening balance	987,261,695	857,509,081
Translation adjustment on foreign operations-opening balance	51,135,177	(1,436,953)
Accumulated depreciation and impairment at beginning of period/year	1,038,396,872	856,072,128
Depreciation for the current period/year based on previous year residual values	61,880,914	127,442,041
Amortisation of acquisition costs on aircraft	378,260	756,519
Adjustment due to change in useful life	–	–
Adjustment due to change of residual value	–	1,484,408
Net depreciation charge on all aircraft for the period/year	62,259,174	129,682,968
Translation adjustment on foreign operations	13,696,672	52,572,130
Accumulated depreciation as at period/year end	1,114,352,718	1,038,327,226
Adjustment due to impairment	–	–
Translation adjustment on foreign operations*	–	69,646
Accumulated depreciation and impairment as at period/year end	1,114,352,718	1,038,396,872
Carrying amount – opening balance	1,161,509,286	1,209,709,751
Carrying amount as at period/year end	1,110,330,246	1,161,509,286

* Translation adjustment on foreign operations

In 2019 the decision was made by the Board to re-designate the functional currency of the subsidiaries to USD and to classify them as foreign operations. Therefore the carrying values of the aircraft in the subsidiaries in USD have been re-translated at the closing Sterling / US Dollar exchange rate at 30 September 2023 (and 31 March 2023) for consolidation purposes through "Translation adjustment on foreign operations".

Financing of aircraft

In order to complete purchases of the aircraft, subsidiaries of the Company have entered into debt financing agreements with a senior fully amortising loan and junior balloon loan (see note 17). The Company used the equity proceeds in addition to the finance agreements to finance the acquisition of the aircraft.

The Group's aircraft with carrying values £1,110,330,246 (31 March 2023: £1,161,509,286) are pledged as security for the Group's borrowings (see note 17).

Sale of aircraft

The Group can sell the Assets during the term of the leases (with the lease attached and in accordance with the terms of the transfer provisions contained therein). Under IAS 16 the direct costs attributed in negotiating and arranging the operating leases have been added to the carrying amount of the leased Asset and recognised as an expense over the lease term.

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

7. PROPERTY, PLANT AND EQUIPMENT – AIRCRAFT (continued)

Impairment

Refer to note 3 and the 31 March 2023 annual report for consideration by the Group with respect to the process undertaken to determine whether an impairment test should be performed at period-end.

8. FINANCE INCOME

	1 April 2023 to 30 Sep 2023 GBP	1 April 2022 to 30 Sep 2022 GBP
Fair value gain on derivatives at fair value through profit and loss*	11,099,713	34,357,271
Bank interest received	2,831,301	825,683
Unwinding of receivables for time value of money	141,619	137,683
Realised gain on derivatives	429,808	–
	14,502,441	35,320,637

* This is the movement in the fair value of the derivatives for the period.

The drivers for the change in the fair values of the interest rate swaps and interest caps for the period are primarily as a result of the movement in the GBP/USD exchange rate as these derivatives are in USD, and the movement in interest rates, as well as due to the passage of time as the notional amounts amortise in line with the underlying liabilities. The Group seeks to match its interest rate exposure, as the prevailing principal of any borrowing amortises, by closing out interest rate swaps and interest rate caps on an ongoing basis whenever the notional mismatch becomes significant. See note 20 for further details of the derivatives held by the Group.

9. FINANCE COSTS

	1 April 2023 to 30 Sep 2023 GBP	1 April 2022 to 30 Sep 2022 GBP
Amortisation of debt arrangements costs	778,256*	806,614*
Interest payable on loan**	16,982,546*	19,395,536*
Security trustee and agency fees	106,467	109,483
	17,867,269	20,311,633

* Included in Finance costs is interest on the amortised cost liability for the period of £17,760,802 (30 September 2022: £20,202,150).

** This amount includes £3,901,117 interest income (30 September 2022: £1,016,513 interest expense) from the interest rate swaps.

10. EARNINGS PER SHARE

Earnings per Share ("EPS") is 7.56 pence (30 September 2022: 16.07 pence) based on the profit for the period of £22,965,814 (30 September 2022: profit of £55,797,527) and 303,899,361 shares (30 September 2022: 347,313,483 shares) being the weighted average number of Shares in issue during the period.

There are no dilutive instruments and therefore the basic and diluted Profit /Loss per Share are identical.

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

11. ACCRUED AND DEFERRED INCOME

The accrued and deferred income represents the difference between actual payments received in respect of the lease income (including some received in full upfront) and the amount to be accounted for in the accounting records on a straight line basis over the lease terms. The Directors considered the recoverability and concluded that an expected credit loss should be recognised on the accrued income for the aircraft leased to Thai Airways. The accrued and deferred income consists of the following:

	30 Sep 2023 GBP	31 March 2023 GBP
Non-current		
Accrued income	35,493,777	36,659,270
Expected credit loss*	(1,690,158)	(1,801,002)
	33,803,619	34,858,268
Deferred income	(15,243,383)	(17,318,868)
Current		
Accrued income	3,746,485	3,704,760
Deferred income	(5,632,397)	(5,628,215)

* As at 30 September 2023 the Group assessed the credit risk of the accrued income relating to the aircraft leased to Thai Airways and therefore reassessed the expected lifetime losses on the accrued income at period end. For the estimation of these expected credit losses at period end, the Group considered both quantitative and qualitative information and analysis, based on the Group's historical experience and an informed credit assessment and including forward-looking information. Following Thai Airways' entry into rehabilitation in May 2020, TRIS Rating, downgraded the company rating for Thai Airways and its rating for senior unsecured debentures to "D" or "Default". TRIS has not provided an updated rating since May 2020, as the airline is still under rehabilitation process. Recent news flow from Thai Airways indicates that its position has improved, and that as a result it may come out of bankruptcy protection sooner than originally envisaged. Prior to the COVID pandemic, Thai Airways' TRIS rating was BBB, indicating little or no default. The Directors do not believe that Thai Airways' credit has as yet returned to pre-COVID levels and so has determined that an amount of £1,690,158 (31 March 2023: £1,801,002) best represents the expected credit loss on the balance of the accrued income relating to the aircraft leased to Thai Airways amounting to £24,145,123 (31 March 2023: £25,728,593). The expected credit loss balance has declined as a result of the decrease in the accrued income balance over the period and as such a portion of the expected credit loss has been written back at 30 September 2023. The remaining accrued income at 30 September 2023 is considered fully receivable, with any identified impairment losses on such assets not considered significant.

12. TRADE AND OTHER RECEIVABLES

	30 Sep 2023 GBP	31 Mar 2023 GBP
Non-current		
Trade receivables*	18,693,258	17,972,187
Current		
Prepayments	200,987	111,110
Trade receivables*	676,207	–
	877,194	111,110

The above carrying value of receivables is deemed to be materially equivalent to fair value.

* This amount includes lease rental by Thai Airways not previously written off, discounted for the time value of money at period end in accordance with the Thai Airways rehabilitation plan. The Thai Airways Rehabilitation plan was approved in June 2021, detailing the capital restructuring of Thai Airways. The plan included rental that will be repaid to the lessor by Thai Airways between 2024 and 2027. These are included in the non-current and current trade receivables at £4,703,025 (31 March 2023: £4,506,102).

The remaining trade receivables at 30 September 2023 are considered fully receivable, with any identified impairment losses on such assets not considered significant. Information about the Group's exposure to credit risk and impairment loss for trade receivables is included in Note 21 c.

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

13. SHORT TERM INVESTMENTS

	30 Sep 2023 GBP	31 Mar 2023 GBP
Short term investments	12,712,180	10,719,241
	<u>12,712,180</u>	<u>10,719,241</u>

The above investments represent certificates of deposits maturing within 12 months and are held by HSBC Securities Services in London under a custody agreement between Ravenscroft Cash Management and HSBC Bank plc for Global Custody Services. Impairment losses on these investments are not considered significant as they are held with reputable international banking institutions. Also refer to note 14.

14. CASH AND CASH EQUIVALENTS

	30 Sep 2023 GBP	31 March 2023 GBP
Bank balances	49,409,309	46,367,423
Notice accounts	74,607,216	70,239,703
	<u>124,016,525</u>	<u>116,607,126</u>

The notice accounts are secured cash deposits in respect of the maintenance provisions.

Below is a breakdown of the amounts included in cash and cash equivalents as well as short term investments as at 30 September and the anticipated utilisation of these amounts.

	30 Sep 2023 GBP	31 March 2023 GBP
Maintenance provisions*	74,607,216	70,239,703
Reserved for debt service obligations	8,443,236	9,848,789
Junior loan bullet balloon reserves	31,206,528	30,078,369
Dividend payment after period end	5,318,239	5,318,239
Operational cash	17,153,486	11,841,267
	<u>136,728,705</u>	<u>127,326,367</u>

* Maintenance provision cash represents amounts received from a lessee which can only be utilised by the company to pay certain maintenance costs after prior approval by the relevant lenders, and is thus not available for distribution to Shareholders. An opposite liability is included in these financial statements reflecting the expected timing of utilisation of these amounts (see note 15).

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

15. MAINTENANCE PROVISIONS

	30 Sep 2023 GBP	31 March 2023 GBP
Balance at 1 April	70,239,703	58,355,513
Billings	3,476,658	8,311,349
Translation adjustment on foreign operations	890,855	3,572,841
Balance at period end	74,607,216	70,239,703

The maintenance provision are held in relation to funds received as at the period-end for the timely and faithful performance of the lessees' obligations under the lease agreements for the four A350-900 aircraft. Amounts accumulated in the maintenance provisions will be repaid only as re-imburements for actual maintenance expenses incurred by the lessee.

The table below details the expected utilisation of maintenance reserves.

	1-3 Months GBP	3-12 Months GBP	1-2 Years GBP	2-5 Years GBP	Over 5 Years GBP	Total GBP
30 Sep 2023	40,258,941	22,261,072	–	–	12,087,203	74,607,216
31 March 2023	–	45,539,816	12,747,306	–	11,952,581	70,239,703

16. PAYABLES

	30 Sep 2023 GBP	31 Mar 2023 GBP
Accrued administration fees	38,626	30,213
Accrued audit fee	96,915	114,516
Taxation payable	9,432	6,053
Accrued registrar fee	656	656
Other accrued expenses	13,088	63,932
	158,717	215,370

The above carrying value of payables is equivalent to the fair value due to their short-term maturity period and nature as repayable on demand.

17. BORROWINGS

	30 Sep 2023 GBP	31 Mar 2023 GBP
Borrowings		
Bank loans	914,319,566	963,403,658
Unamortised arrangement fees	(7,282,855)	(7,996,076)
	907,036,711	955,407,582
Consisting of:		
Senior loans (\$834,538,892 at 30 September 2023, \$906,747,175 at 31 March 2023)	684,070,704	734,981,904
Junior loans (\$272,009,610 at 31 September 2023, \$271,939,153 at 31 March 2023)	222,966,007	220,425,678
	907,036,711	955,407,582
Borrowings		
Non-current portion	794,102,856	845,529,430
Current portion (senior loans only)	112,933,855	109,878,152
	907,036,711	955,407,582

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

17. BORROWINGS (continued)

Loans with an outstanding balance of £706,513,816 (31 March 2023: £745,306,038) have fixed interest rates over the term of the loans. Of this total, loans with an outstanding balance of £307,052,870 (31 March 2023: £320,851,054), although having variable rate interest, also have associated interest rate derivative contracts issued by the lenders in effect fixing the loan interest over the terms of the loans. Loans with an outstanding amount of £200,522,895 (31 March 2023: £210,101,543) at period end are variable rate (LIBOR) with an interest rate cap and each senior loan has a balloon capital payment on maturity.

Prior to the LIBOR cessation date on 30 June 2023, the FCA had announced the requirement for the publication of "synthetic LIBOR" until September 2024 – a rate that will be determined by reference to the forward-looking term Secured Overnight Financing Rate ("SOFR") reference rate provided by CME Group Benchmark Administration and the respective ISDA fixed spread adjustment for the relevant IBOR tenor that is published for the purposes of the ISDA 2020 IBOR Fallbacks Protocol and the ISDA IBOR Fallbacks Supplement. However, this announcement came with the direct instruction that firms must continue to actively transition their financial contracts that reference USD LIBOR. Noting that unless unforeseen and material events were to happen, synthetic LIBOR would cease to be published on 30 September 2024. In consideration of these developments, the Company has transitioned a majority of its contracts to the relevant term SOFR and remains engaged with legal counsel, who along with its Asset Manager are liaising with the lenders to document the appropriate terms for the transition away from LIBOR for its remaining deals.

All loans are taken in USD. The Group uses a combination of fixed and variable debt instruments. Maturity dates are set at 12 years from delivery date or otherwise to match the corresponding lease end date. The weighted average rate for the Company's senior loan is 3.8% and 5.2% for the Company's Junior Loan (31 March 2023: 3.8% and 5.2%).

The transaction costs of arranging the loans have been deducted from the carrying amount of the loans and will be amortised using EIR (Effective Interest Rate) over their respective lives.

18. SHARE CAPITAL

The share capital of the Company is represented by an unlimited number of redeemable ordinary shares of no par value.

	30 Sep 2023	31 March 2023
	Ordinary	Ordinary
	Shares	Shares
Issued		
Opening balance	303,899,361	347,313,483
Shares issued	–	–
Shares redeemed	–	(43,414,122)
Total number of shares as at period/year end	303,899,361	303,899,361

	30 Sep 2023	31 March 2023
	Ordinary	Ordinary
	Shares	Shares
	GBP	GBP
Issued		
Ordinary Shares		
Opening balance	492,981,504	520,983,612
Shares issued	–	–
Shares redeemed	–	(28,002,108)
Total share capital	492,981,504	492,981,504

The Company's total issued Share capital at 30 September 2023 was 303,899,361 Shares (31 March 2023: 303,899,361 Shares), none of which were held in treasury.

Therefore the total number of voting rights in issue at 30 September 2023 was 303,899,361 (31 March 2023: 303,899,361).

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

18. SHARE CAPITAL (continued)

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

On winding up of the Company, Shareholders are entitled to the surplus assets attributable to the Share class remaining after payment of all the creditors of the Company.

19. DIVIDENDS IN RESPECT OF SHARES

	1 Apr 2023 to 30 Sep 2023		1 Apr 2022 to 30 Sep 2022	
	GBP	Pence per Share	GBP	Pence per Share
First dividend	5,318,239	1.7500	4,341,418	1.2500
Second dividend	5,318,239	1.7500	4,341,419	1.2500
	10,636,478	3.500	8,682,837	2.500

20. FINANCIAL INSTRUMENTS

The Group's main financial instruments comprise:

- (a) cash and cash equivalents that arise directly from the Group's operations;
- (b) short term investments;
- (c) accrued income;
- (d) trade receivables;
- (e) interest rate swaps and interest rate caps;
- (f) debt secured on non-current assets; and
- (g) payables.

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

	30 Sep 2023 GBP	31 Mar 2023 GBP
Financial assets		
Cash and cash equivalents	124,016,525	116,607,126
Short term investments	12,712,180	10,719,241
Derivatives at fair value through profit and loss	55,682,431	44,599,777
Accrued income*	37,550,104	38,563,028
Trade receivables**	19,570,452	17,972,187
	249,531,692	228,461,359

* This amount is net of provision for impairment.

** This amount represents rent due but not yet received and is included within Receivables on the Condensed Statement of Financial Position.

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

20. FINANCIAL INSTRUMENTS (continued)

	30 Sep 2023	31 Mar 2023
	GBP	GBP
Financial liabilities		
Payables	158,717	215,370
Debt payable (excluding unamortised arrangement fees)	914,319,563	963,403,658
	914,478,280	963,619,028

Fair value of financial instruments

The Company applies IFRS 13, 'Fair value measurement' and this standard requires the Company to price its financial assets and liabilities using the price in the bid-ask spread that is most representative of fair value for both financial assets and financial liabilities. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The level of the fair value hierarchy of an instrument is determined considering the inputs that are significant to the entire measurement of such instrument and the level of the fair value hierarchy within which these inputs are categorised.

The hierarchy is broken down into three levels based on the observability of inputs as follows:

- Level 1: Quoted price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Valuation techniques using significant unobservable inputs.

The interest rate swaps and interest rate caps are considered to be Level 2 in the Fair Value Hierarchy. The fair value of interest rate swaps and interest rate caps are derived based on the valuation, as provided by the respective bank with which the swap or cap is held, which are based on mark-to-market values. The following tables show the Company's financial assets and liabilities as at 30 September 2023 and 31 March 2023 based on the hierarchy set out in IFRS:

	Quoted Prices in active markets for identical assets (Level 1) 2023 GBP	Significant other observable inputs (Level 2) 2023 GBP	Significant unobservable inputs (Level 3) 2023 GBP	Total 2023 GBP
30 September 2023				
Assets				
Derivatives at fair value through profit and loss				
Interest rate swaps	–	34,248,389	–	34,248,389
Interest rate caps	–	21,434,042	–	21,434,042
		55,682,431		55,682,431
31 March 2023				
Assets				
Derivatives at fair value through profit and loss				
Interest rate swaps	–	27,744,434	–	27,744,434
Interest rate caps	–	16,855,343	–	16,855,343
		44,599,777		44,599,777

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

20. FINANCIAL INSTRUMENTS (continued)

Derivative financial instruments

The following table shows the Company's derivative position as at 30 September 2023 with a comparative table as at 31 March 2023:

	30 September 2023	31 March 2023
Derivatives at fair value through profit and loss – USD Interest Rate Swaps	34,248,389	27,744,434
Notional amount (GBP)	278,576,664	292,742,637
Derivatives at fair value through profit and loss – USD Interest Rate Caps	21,434,042	16,855,343
Notional amount (GBP)	220,769,622	223,777,285

The maturity dates for the interest rate swaps range from 13 April 2028 to 26 January 2036 (31 March 2023: 13 April 2028 to 26 January 2036).

The maturity dates for the interest rate caps range from 13 July 2029 to 22 September 2029 (31 March 2023: 13 July 2029 to 22 September 2029).

The increase in the fair value of the Interest Rate Swaps and Caps for the period of £11,099,713 (31 March 2023: increase of £21,290,765) is reflected in Finance Income in note 8. The notional amount amortises in line with the underlying liability.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

(a) Capital management

The Group manages its capital to ensure its ability to continue as a going concern while maximising the return to Shareholders through the optimisation of debt and equity balances.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 17, equity attributable to equity holders, comprising issued capital, foreign currency translation reserve and retained deficit.

The Group'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.

(b) Foreign currency risk

The Group endeavoured to mitigate the risk of foreign currency movements by matching its USD rentals with USD debt to the extent necessary. The USD lease rentals should offset the USD payables on amortising debt on the loans, apart from the loans with an outstanding balance of £200,522,895 (31 March 2023: £210,101,543) at period end which have balloon capital payments on maturity (refer to note 17).

Rental income received in USD is used to pay loan interest and regular capital repayments of debt (but excluding any bullet or balloon repayment of principal). The loan interest and capital repayments of debt are likewise denominated in USD. Lease rentals and loan repayments are furthermore fixed at the outset of the Company's life and are very similar in amount and timing. The repayment of bullet and balloon repayments of principal due on the final maturity of a loan are to be paid out of the proceeds of the sale, re-lease, refinancing or other disposition of the relevant aircraft. On this basis, the foreign currency risk associated with the USD-denominated loans is considered to be substantially mitigated.

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Foreign currency risk (continued)

The USD/GBP exchange rate was 1.21996 at 30 September 2023 (1.2337 at 31 March 2023) and the average USD/GBP exchange rate for the period was 1.2592 for the six months ended 30 September 2023 (1.2164 for the six months ended 30 September 2023). As noted above, many underlying assets and liabilities are denominated in the same currency, so the net impact is naturally mitigated. However, there is some residual impact on the reported net asset value of the Group arising from translation of the results and financial position of the subsidiaries. This residual impact is reflected in the Unaudited Consolidated Condensed Interim Statement of Comprehensive Income on page 18 as "Translation adjustment on foreign operations". If the USD were to weaken against GBP by 15% the Translation adjustment on foreign operations, reflected within the foreign currency translation reserve, would reduce by approximately £38.6 million (31 March 2023: £36.7 million).

(c) Credit Risk

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

The credit risk on cash transactions is mostly mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, or with high credit ratings assigned by international credit rating agencies. In the case of Thai Airways, a provision for expected credit losses has been made and the remaining net balance is considered to be fully recoverable.

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

	30 Sep 2023 GBP	31 Mar 2023 GBP
Cash and cash equivalents	124,016,525	116,607,126
Short term investments	12,712,180	10,719,241
Derivatives at fair value through profit and loss	55,682,431	44,599,777
Accrued income*	37,550,104	38,563,028
Trade receivables**	19,570,452	17,972,187
	249,531,692	228,461,359

* This amount is net of provision for impairment.

**This amount represents rent due but not yet received and is included within Receivables on the Condensed Statement of Financial Position.

Surplus cash in the Group is held with RBSI and Bank of Ireland which have credit ratings given by Moody's of P-1 and P-1 (31 March 2023: P-1 and P-1) respectively. Surplus cash in the Subsidiaries is held in accounts with RBSI and Westpac, which have credit ratings given by Moody's of P-1 and P-1 (31 March 2023: P-1 and P-1) respectively.

Short term investments relate to deposits held with Nordea Bank, Toronto Dominion Bank, Cooperatieve Rabobank and Canadian Imperial which all have the same credit rating given by Moody's of P-1 (31 March 2023: P-1).

The derivative assets are held at fair value and are held with the same security and trustee agent as the related borrowings. The derivatives are held with First Abu Dhabi Bank, Westpac Institutional Bank, Natixis, and Deutsche Bank Group, which have credit ratings given by Moody's of P-1, P-1, P-1 and A1 respectively (31 March 2023: P-1, P-1, P-1 and A1).

The Group has considered the effects of the expected credit loss on cash and cash equivalents and short term investments and is satisfied that no expected credit loss is required as it is not considered material.

The credit quality and risk of lease transactions with counterparty airlines is evaluated upon conception of the transaction. In addition, ongoing updates as to the operational and financial stability of the airlines are provided by the Company's Asset Manager in its quarterly reports to the Company.

At the inception of each lease, the Company selected a lessee with a strong Statement of Financial Position and financial outlook. The financial strength of Emirates and Thai Airways is regularly reviewed by the Directors and the Asset Manager, particularly once financial results have been published. Additionally, the Asset Manager monitors any news related to the lessees that would impact operations and financial position.

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit Risk (continued)

The lessees may default on their lease payments. This would lead the fixed rents received under the leases to be insufficient to meet the loan interest and regular capital repayments of debt scheduled during the life of each loan and may not provide any surplus income to pay for the Group's expenses.

The Group's most significant counterparties are Emirates and Thai Airways as lessees and providers of income.

Refer to note 2 (c) Going Concern for further details on the current status of the Group's lessees.

The Group has chosen to apply the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets (including accrued income). As at 30 September 2023 the expected lifetime losses on the rent receivables and accrued income was reassessed by the Group. Apart from the accrued income relating to the aircraft leased to Thai Airways, the remaining trade receivables and other receivables and accrued income at amortised cost at period end are considered receivable, with any identified impairment losses on such assets not considered significant. The credit risk for Emirates has been assessed as low and no impairment has been identified.

The Group has considered the effects of the expected credit loss on cash and cash equivalents and short term investments and is satisfied that no expected credit loss is required as it is not considered material.

(d) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in realising assets or otherwise raising funds to meet financial commitments, such as the capital repayments of senior debt, as well as the junior debt at the end of the lease. The Group's main financial commitments are its ongoing operating expenses and repayments on loans.

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

Consideration will be given to any future use of accumulated rental income, if the Board considers that the Company, or any subsidiary will not be able to repay any balloon or bullet repayments of debt falling due through the sale, refinancing or other disposition of an Asset.

(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 variation in deposit interest earned on bank deposits held by the Group or on debt repayments.

The loans with an outstanding balance of £200,522,895 (31 March 2023: £210,101,543) as at period end entered into are variable rate, with an interest rate cap.

With the exception of the above-mentioned loans, the Group mitigates interest rate risk by fixing the interest rate on the bank loans (as well as in respect of loans with an outstanding balance of £307,052,870 (31 March 2023: £320,851,054) as at period end, which have an associated interest rate swap to fix the loan interest).

If a reasonable possible change in interest rates had been 100 basis points (31 March 2023: 100 basis points) higher/lower throughout the period and all other variables were held constant, the Group's net assets attributable to Shareholders as at 30 September 2023 would have been £1,157,870 (31 March 2023 £1,021,745) greater/lower due to an increase/decrease in the amount of interest receivable on the bank balances.

22. ULTIMATE CONTROLLING PARTY

In the opinion of the Directors, the Company has no ultimate controlling party as the Company does not have any Shareholder that holds greater than 10% of the issued share capital of the Company.

Notes to the Unaudited Consolidated Condensed Interim Financial Statements

for the period ended 30 September 2023 (continued)

23. RELATED PARTY TRANSACTIONS AND SIGNIFICANT CONTRACTS

Significant contracts

Amedeo Limited ("Amedeo") is the Group's Asset Manager.

During the period, the Group incurred £1,574,640 (30 September 2022: £1,554,533) of fees with Amedeo, of which £Nil (31 March 2023: £Nil) was outstanding to this related party at 30 September 2023. This fee is included under "Asset management fee" in note 5.

Following the disposal of the "IPO Assets" (being collectively the first four assets purchased), the Company shall pay to Amedeo disposition fees calculated as detailed in the prospectus, which can be found on the Group's website. Fees range from 1.75% to 3% of the sale value. The fee for the remaining eight aircraft is 3%.

Amedeo Services (UK) Limited ("Amedeo Services") is the Group's Liaison and Administration Oversight Agent (the agent is appointed to assist with the purchase of the aircraft, the arrangement of suitable equity and debt finance and the negotiation and documentation of the lease and financing contracts).

During the period, the Group incurred £4,430 (30 September 2022: £5,926) of fees with Amedeo Services. As at 30 September 2023 £Nil (31 March 2023: £Nil) was outstanding. This fee is included under "Asset management fee" in note 5.

Related parties

The Board are considered to be key management personnel. Refer to the Board of Directors on page 12. Refer to note 6 where Directors' remuneration has been disclosed.

24. SEGMENT INFORMATION

The Directors are of the opinion that the Group is engaged in a single segment of business, being acquiring, leasing and selling aircraft. The geographical analysis of the Group is based on the location of the lessee and is given for information only.

Geographical analysis

	Middle East GBP	Asia Pacific GBP	Total GBP
30 Sep 2023			
Rental income	77,839,650	13,337,822	91,177,472
Net book value – aircraft	759,633,447	350,696,799	1,110,330,246
30 Sep 2022			
Rental income	80,070,335	25,729,267	105,799,602
Net book value – aircraft	955,699,113	397,821,367	1,353,520,480

Revenue from the Group's country of domicile, Guernsey, was £Nil (2022: £Nil).

25. SUBSEQUENT EVENTS

On 3 October 2023 the Board announced an interim dividend of 1.75 pence per ordinary share. The dividend is payable on 31 October 2023 to Shareholders on the register as at the close of business on 13 October 2023.

Following the period end there was an escalation in the ongoing Israel-Palestine conflict during October 2023, which subsequently lead Emirates to indefinitely suspend its daily service to Tel Aviv. Therefore, the conflict will not impact any of the aircraft leased to Emirates. The Company acknowledges that further escalation in the region can impact the operation of its lessee, however the Company is confident that Emirates is monitoring the situation and will take appropriate measures for the safety and protection of its customers, staff, and stakeholder interest.

There were no other material subsequent events since the year end and up to the date of approval of the Consolidated Financial Statements.

Key Advisers and Contact Information

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David Gelber (SID)
Laurence Barron
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Steve Le Page
Tom Sharp

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Glossary

DEFINED TERMS

The following list of defined terms is not intended to be an exhaustive list of definitions, but provide a list of the defined terms used in this report.

Administrator	JTC Fund Solutions (Guernsey) Limited
AIC Code	The AIC Code of Corporate Governance
Articles	The Company's articles of incorporation
ASKs	Available Seat Kilometres
Asset Manager	Amedeo Limited
Asset(s)	Aircraft owned by the Group
Board	Board of Directors of the Company
Company	Amedeo Air Four Plus Limited
Corporate Adviser	Liberum Capital Limited
DGTRs or DTR	The FCA's Disclosure Guidance and Transparency Rules
Emirates	Emirates Airline
ECL	Expected credit losses
ESG	Environmental, Social and Governance
Erihad	Erihad Airways PJSC
FCA	Financial Conduct Authority
FVTPL	Fair Value through Profit or Loss
GBP	Great British Pounds
Group	The Company and its wholly owned subsidiaries
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IATA	International Air Transport Association
IBOR	Interbank offered rates
IFRS	International Financial Reporting Standards
ISTAT	International Society of Transport Aircraft Trading
Law	The Companies (Guernsey) Law, 2008, as amended
MRC	Minimum Return Conditions
OEM	Original Equipment Manager
PBH	Power by The Hour
Registrar	Link Market Services Limited
Rehabilitation Plan	As fully defined and explained at subsection "Rehabilitation Plan" of the Asset Manager's Report as found at page 8
RPKs	Revenue Passenger Kilometres
SAF	Sustainable Aviation Fuel
Secretary	JTC Fund Solutions (Guernsey) Limited
SFS	Specialist Fund Segment of the London Stock Exchange's Main Market
Shares	Redeemable ordinary shares
SID	Senior Independent Director
Thai Airways/Thai	Thai Airways International Public Company Limited
TRIS	Thai Rating and Information Services
UK Code	The UK Corporate Governance Code, 2018

