Financial Statements

AerFin Holdings Limited

For the Year Ended 31 December 2017

Registered number: 09353979

Company Information

Directors	J J Bradburn R J James A I Chohan
Company secretary	S Ades
Registered number	09353979
Registered office	Unit D, Greenway Bedwas House Industrial Estate Bedwas Caerphilly Mid Glamorgan CF83 8DW
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor 11/13 Penhill Road Cardiff South Glamorgan CF11 9UP

Contents

Group Strategic Report
For the Year Ended 31 December 2017

Introduction

AerFin Holdings Ltd was incorporated on the 15th December 2014 as the holding company for the AerFin Group through which the distribution of capital is managed between the two AerFin Group members, AerFin Limited and AerFin Ireland Limited.

Business review

The Financial Period 2017 marked another successful year of trade for AerFin Limited.

Annual revenue was up 10% from 2016 at USD $90.4m demonstrating a continued strong demand for AerFin's goods and services, which were supplied to 415 customers in 62 countries worldwide.

The AerFin brand reputation strengthened considerably as it claimed 1st place on the Sunday Times Fast Track 100 league table- which ranks Britain's privately held businesses based on revenue growth and the Sunday Times International Track 200- crowning the business the fastest growing privately held exporter in the UK. These accolades are representative of the AerFin team's continued strive for the highest levels of customer care and passion for aviation. The awards have further cemented AerFin's reputation as a market leader in the aviation spares aftermarket, and added significant kudos to the business when in competitive tenders, often against Original Equipment Manufacturers.

Despite achieving award winning levels of revenue growth AerFin has remained operationally focussed through the optimisation of its product portfolio, providing a weighted blend of higher margin mid risk products and low risk, mid margin product lines the business increased Gross Profit by 31% from 2016 with the margin increasing to 25% from 21% in 2016. Another contributing factor to this was the investment made in the company's Sales Team as 'end user' business increased markedly over the period.

People and Products remain the backbone of the business: further investment was made in staff numbers, with the headcount increasing to 91, up 15% from 2016 to ensure that the highest levels of customer service remain despite the rapid growth of the business.

With much of the businesses cost base incurred in GBP, and revenues and product purchasing transacted in USD the business has benefitted from a weak British Pound driven by perceived market uncertainty surrounding Brexit. As a result Operating Profit increased by 103% over the period to USD $8.8m, with the Operating Profit Margin increasing to 9.8% from 5.3% in 2016.

Despite challenging market conditions for purchasing end of life aircraft- as more new entrants have entered the competitive landscape and airlines hanging on to fleet longer than initially planned due to the new aircraft order backlog, AerFin has remained competitive due to its strong technical focus, which allows the business to capitalise from acquisitions which require a high degree of technical work out. An example of this being the fleet acquisition of 15 Embraer E170 aircraft, 10 spare engines and tooling and line item inventory comprising of over 15,000 items, making AerFin the largest independent supplier of Embraer parts worldwide.

With the deliveries scheduled to occur throughout 2018, AerFin is strongly positioned for another successful year of business. 2018 will see the launch of our Beyond Pool E-Jet Platform, with British Airways CityFlyer as the launch customer, and we remain extremely positive in growing the operator base on this place as we offer a tailored solution aimed at driving down the cost of operation delivered with the passion and market leading levels of service that AerFin has become renown for.

Group Strategic Report (continued)
For the Year Ended 31 December 2017

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

The objective of the business has been to develop long term sustainable material supply program relationships with airlines, major Maintenance Repair and Overhaul (MRO) and Original Equipment Manufacturer (OEM) organizations through the trading of commercial aircraft, engines, and spare parts.

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

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

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

AerFin Ireland is the leasing arm of the AerFin group. Current activity has been limited due to the focus on end of life assets and contracted revenue programmes at the AerFin Limited level which is expected to remain the core group focus for the foreseeable future.

Group Financial Performance:

The AerFin Holdings group achieved turnover of $90.4m for the year (2016: $82.2m), with a post-tax profit of $6.7m (2016: $3.2m).

Group Strategic Report (continued)

For the Year Ended 31 December 2017

Principal risks and uncertainties

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

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

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

• Oil prices: The Group focuses on civil aircraft which are aged typically from 7 to 20 years. Newer generation aircraft have been designed to maximise fuel efficiencies through the introduction of fuel efficient technologies. With fuel costs typically accounting for around 40% of an airline's operating cost, rising fuel costs can render more vintage aircraft less profitable, whereas falling fuel costs can increase the profitability of older aircraft, due to the lower capital cost of the asset

• Global demand for air travel: Demand for global air travel drives the requirement for leased engines, leased aircraft and components used in the refurbishment of aircraft and engines

• New equipment manufacture/aircraft retirement cycle: Both market leading aircraft manufacturers in Boeing and Airbus boast record order books for new generation aircraft. The ability of the manufacturers to meet delivery timescales will in effect determine the rate at which older equipment is phased out. Mass retirements of a particular model of aircraft will drive down the acquisition price from the Group's perspective, but it will in turn provide for limited lease and sale opportunities

• Original Equipment Manufacturers (OEM) and air safety regulations: In the interest of improving operating reliability of products, from time to time equipment modifications are enforced by the OEM or the relevant air safety agency. Such modifications can affect the merchantability or airworthiness of a component or aircraft which can lead to unforeseen overhaul costs or even the scrapping of inventory where no such corrective programme exists

• Cost/availability of financing: Both cost and availability of financing may play a part in deciding the type of an aircraft that an airline will operate. Traditionally airlines that operate in emerging economies have operated more vintage aircraft, however due to the lower cost and increased availability of financing opportunities such airlines can opt for newer technologies

• Exchange fluctuations: The Group transacts in US dollars (asset sales, purchases and lease revenues), with operating costs mainly incurred in Sterling. US dollars is the Group's functional currency creating foreign exchange translation risk with regards to Sterling transactions

Brexit: The UK leaving the European Union has the potential to disrupt AerFin's business activities with European customers and suppliers. It remains probable that the UK will be leaving the 'Single Market' which facilitates the free movement of goods within the EU. AerFin believes that Aviation parts will continue to attract low levels of duty as the industry is reliant on a global supply chain to keep aircraft in service. Protectionism would be counter productive for the industry. However for a period of time, whilst the new, UK adopted customs regime is being implemented, it is possible that there could be delays at the UK border. To combat this AerFin is applying for Authorised Economic Operator Status and for a licence to operate a Customs Warehouse. AerFin is also planning on creating a pool of parts based on the continent for this period to ensure that our customers have continued access to our products throughout the transition period.

Group Strategic Report (continued)
For the Year Ended 31 December 2017

This report was approved by the board on 26 April 2018 and signed on its behalf.

R J James
Director

Directors' Report

For the Year Ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors

The directors who served during the year were:

J J Bradburn
R J James
A I Chohan

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

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

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

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Directors' Report (continued)
For the Year Ended 31 December 2017

Disclosure of information to auditor

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

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

Auditor

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

This report was approved by the board on 26 April 2018 and signed on its behalf.

R J James
Director

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

Opinion

We have audited the financial statements of AerFin Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2017, which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, and the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Grant Thornton

Independent Auditor's Report to the Shareholders of AerFin Holdings Limited (continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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Independent Auditor's Report to the Shareholders of AerFin Holdings Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Grant Thornton

Independent Auditor's Report to the Shareholders of AerFin Holdings Limited (continued)

Grant Thornton UK LLP

Rhian Owen (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Senior Statutory Auditor
Cardiff
Date: 26 April 2018

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2017

	Note	2017 $	2016 $
Turnover	4	**90,397,800**	82,163,625
Cost of sales		**(67,629,734)**	(64,736,695)
Gross profit		**22,768,066**	17,426,930
Administrative expenses		**(14,169,623)**	(12,736,493)
Other operating income	5	**2,922**	163,191
Fair value movements		**241,930**	(516,458)
Operating profit	6	**8,843,295**	4,337,170
Interest payable and expenses	10	**(10,411)**	(4,940)
Profit before taxation		**8,832,884**	4,332,230
Tax on profit	11	**(2,170,338)**	(1,151,695)
Profit for the financial year		**6,662,546**	3,180,535
Currency translation differences		-	(115,169)
Other comprehensive income for the year		-	(115,169)
Total comprehensive income for the year		**6,662,546**	3,065,366

There were no recognised gains and losses for 2017 or 2016 other than those included in the consolidated statement of comprehensive income.

The notes on pages 19 to 38 form part of these financial statements.

AerFin Holdings Limited
Registered number:09353979

Consolidated Statement of Financial Position

As at 31 December 2017

	Note		2017 $		2016 $
Fixed assets					
Intangible assets	12		**10,976,062**		12,549,422
Tangible assets	13		**6,606,057**		5,792,375
			17,582,119		18,341,797
Current assets					
Stocks	15	**33,033,677**		44,711,410	
Debtors: amounts falling due within one year	16	**26,960,314**		13,450,025	
Cash at bank and in hand	17	**22,732,318**		18,835,957	
		82,726,309		76,997,392	
Creditors: amounts falling due within one year	18	**(7,504,838)**		(9,492,466)	
Net current assets			**75,221,471**		67,504,926
Total assets less current liabilities			**92,803,590**		85,846,723
Creditors: amounts falling due after more than one year	19		**(190,434)**		(29,667)
Provisions for liabilities					
Deferred taxation	22	**(260,366)**		(126,812)	
			(260,366)		(126,812)
Net assets			**92,352,790**		85,690,244
Capital and reserves					
Called up share capital	23		**680**		680
Share premium account	24		**80,133,026**		80,133,026
Merger relief reserve	24		**4,255,431**		4,255,431
Retained earnings	24		**7,963,653**		1,301,107
			92,352,790		85,690,244

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26/4/18

R J James
Director

The notes on pages 19 to 38 form part of these financial statements.

AerFin Holdings Limited
Registered number:09353979

Company Statement of Financial Position

As at 31 December 2017

	Note		2017 $		2016 $
Fixed assets					
Investments	14		**20,131,542**		20,131,542
			20,131,542		20,131,542
Current assets					
Debtors: amounts falling due within one year	16	**63,197,364**		63,821,937	
Cash at bank and in hand	17	**4,669**		62,671	
		63,202,033		63,884,608	
Creditors: amounts falling due within one year	18	**(143)**		(682,305)	
Net current assets			**63,201,890**		63,202,303
Total assets less current liabilities			**83,333,432**		83,333,845
Net assets			**83,333,432**		83,333,845
Capital and reserves					
Called up share capital	23		**680**		680
Share premium account	24		**80,133,026**		80,133,026
Merger relief reserve	24		**4,255,431**		4,255,431
Profit and loss account brought forward		**(1,055,292)**		(2,154,677)	
(Profit)/loss for the year		**(413)**		15,051	
Currency translation differences		**-**		1,084,334	
Profit and loss account carried forward			**(1,055,705)**		(1,055,292)
			83,333,432		83,333,845

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26|4|18

R J James
Director

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2017

	Called up share capital	Share premium account	Merger reserve	Retained earnings	Total equity
	$	$	$	$	$
At 1 January 2017	680	80,133,026	4,255,431	1,301,107	85,690,244
Profit for the year	-	-	-	6,662,546	6,662,546
At 31 December 2017	680	80,133,026	4,255,431	7,963,653	92,352,790

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2016

	Called up share capital	Share premium account	Merger reserve	Retained earnings	Total equity
	$	$	$	$	$
At 1 January 2016	458	44,366,216	4,255,431	(1,764,259)	46,857,846
Profit for the year	-	-	-	3,180,535	3,180,535
Currency translation differences	-	-	-	(115,169)	(115,169)
Shares issued during the year	222	35,766,810	-	-	35,767,032
At 31 December 2016	680	80,133,026	4,255,431	1,301,107	85,690,244

The notes on pages 19 to 38 form part of these financial statements.

Company Statement of Changes in Equity

For the Year Ended 31 December 2017

	Called up share capital	Share premium account	Merger reserve	Retained earnings	Total equity
	$	$	$	$	$
At 1 January 2017	680	80,133,026	4,255,431	(1,055,292)	83,333,845
Loss for the year	-	-	-	(413)	(413)
At 31 December 2017	680	80,133,026	4,255,431	(1,055,705)	83,333,432

Company Statement of Changes in Equity
For the Year Ended 31 December 2016

	Called up share capital	Share premium account	Merger reserve	Retained earnings	Total equity
	$	$	$	$	$
At 1 January 2016	**458**	**44,366,216**	**4,255,431**	**(2,154,677)**	**46,467,428**
Profit for the year	-	-	-	15,051	15,051
Currency translation differences	-	-	-	1,084,334	1,084,334
Shares issued during the year	222	35,766,810	-	-	35,767,032
At 31 December 2016	680	80,133,026	4,255,431	(1,055,292)	83,333,845

The notes on pages 19 to 38 form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2017

	2017	2016
	$	$
Cash flows from operating activities		
Profit for the financial year	**6,662,546**	3,180,535
Adjustments for:		
Amortisation of intangible assets	**1,573,360**	1,573,062
Depreciation of tangible assets	**1,459,169**	1,220,062
Profit on disposal of tangible assets	**(531)**	(27,500)
Interest paid	**10,411**	4,940
Taxation charge	**2,170,338**	1,151,749
Decrease/(increase) in stocks	**11,677,733**	(23,677,023)
(Increase) in debtors	**(13,510,289)**	(9,565,544)
(Decrease)/increase in creditors	**(1,780,393)**	6,140,772
Corporation tax (paid)	**(2,305,835)**	(375,870)
Net cash generated from operating activities	**5,956,509**	(20,374,817)
Cash flows from investing activities		
Purchase of tangible fixed assets	**(2,273,421)**	(1,459,583)
Sale of tangible fixed assets	**1,100**	57,580
HP interest paid	**(10,188)**	(3,800)
Net cash from investing activities	**(2,282,509)**	(1,405,803)
Cash flows from financing activities		
Issue of ordinary shares	-	35,767,032
(Repayment of)/new finance leases	**222,583**	(27,232)
Interest paid	**(223)**	(1,140)
Net cash used in financing activities	**222,360**	35,738,660
Net increase in cash and cash equivalents	**3,896,360**	13,958,040
Cash and cash equivalents at beginning of year	**18,835,957**	4,877,917
Cash and cash equivalents at the end of year	**22,732,317**	18,835,957
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**22,732,318**	18,835,957
Bank overdrafts	**(1)**	-

Notes to the Financial Statements
For the Year Ended 31 December 2017

1. General information

AerFin Holdings Limited is a limited liability company incorporated in England and Wales. Its registered office is located at Unit D Greenway, Bedwas House Industrial Estate, Bedwas, Caerphilly, Mid Glamorgan, CF83 8DW.

The registered office of the subsidiary AerFin Limited is the same as for AerFin Holdings Limited.

The registered office of the subsidiary AerFin Ireland Limited is 1 Stokes Place, Saint Stephen's Green, Dublin 2, D02 DE03.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The group's functional and presentational currency is USD.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the group and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Investments in subsidiaries are accounted for at cost less impairment in the individual company financial statements.

2.3 Going concern

The directors consider the AerFin Holdings Limited group to be a going concern and as such have prepared the accounts on this basis.

Notes to the Financial Statements
For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Notes to the Financial Statements
For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	5	years
Goodwill	-	10	years
Trademarks	-	5	years

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- 5 years
Plant and machinery	- 3 - 4 years
Fixtures and fittings	- 4 years
Office equipment	- 4 years
Capitalised inventory	- 4 - 12 years
Warehouse and storage equipment	- 4 - 12 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

Notes to the Financial Statements
For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.7 Valuation of investments

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

2.8 Stocks

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

The group is involved with purchasing aircraft or engines. The purchase price paid is specific to the aircraft or engine as a whole. The group may make sales of many components that are obtained from the aircraft or the engine. There is no purchase price allocated for the individual components.

In line with standard industry practice, for each sale of a component, an element of the aircraft purchase price and capitalised inventory cost is recognised in the profit and loss as the cost of the goods sold. The cost of the goods sold is calculated based on the forecast margins achievable from the sale of all the components taken from the original engine or aircraft.

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

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Notes to the Financial Statements

For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.11 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements
For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.14 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

Notes to the Financial Statements
For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

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

2.17 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2. Accounting policies (continued)

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.20 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Notes to the Financial Statements
For the Year Ended 31 December 2017

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

Critical judgements that management have made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relate to the following:

Inventory valuation
Stock models are used to value the carrying value of stock as well as the cost of sale to be recognised in the Statement of comprehensive income. These include forecasted sales, forecasted costs and actual costs incurred to date. There is a detailed approval process for forecasted performance and estimates are updated regularly.

Provision for doubtful debts
Uninsured debts are regularly and carefully reviewed and a judgement made as to what level of provision is required against default. This will be based on age of debt, knowledge of customer and communications with the customer.

Depreciation and amortisation
Depreciation and amortisation policies are based on the directors' estimation of the useful economic life of the tangible and intangible fixed assets.

4. Turnover

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

Analysis of turnover by country of destination:

	2017	2016
	$	$
United Kingdom	**14,974,131**	10,956,423
United States of America	**40,788,669**	17,452,135
Rest of the world	**34,635,000**	53,755,067
	90,397,800	82,163,625

Notes to the Financial Statements

For the Year Ended 31 December 2017

5. Other operating income

	2017 $	2016 $
Other operating income	**2,391**	135,691
Profit on disposal of tangible assets	**531**	27,500
	2,922	163,191

6. Operating profit

The operating profit is stated after charging:

	2017 $	2016 $
Depreciation of tangible fixed assets	**1,459,169**	1,220,062
Amortisation of intangible assets, including goodwill	**1,573,360**	1,573,062
Exchange differences	**116,222**	457,841
Defined contribution pension cost	**301,996**	133,754

7. Auditor's remuneration

	2017 $	2016 $
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**37,107**	43,905

Fees payable to the Group's auditor and its associates in respect of:

	2017 $	2016 $
All other services	**44,528**	12,158

Notes to the Financial Statements
For the Year Ended 31 December 2017

8. Employees

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

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Wages and salaries	**6,693,873**	5,864,137	-	-
Social security costs	**575,311**	539,700	-	-
Cost of defined contribution scheme	**301,996**	133,754	-	-
	7,571,180	6,537,591	-	-

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

	2017 No.	2016 No.
	87	73

9. Directors' remuneration

	2017 $	2016 $
Directors' emoluments	**1,213,430**	1,519,548
Company contributions to defined contribution pension schemes	**94,454**	31,521
	1,307,884	1,551,069

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of $1,213,430 (2016 - $1,519,548).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to $94,454 (2016 - $31,521).

10. Interest payable and similar charges

	2017 $	2016 $
Bank interest payable	**223**	1,140
Finance leases and hire purchase contracts	**10,188**	3,800
	10,411	4,940

Notes to the Financial Statements
For the Year Ended 31 December 2017

11. Taxation

	2017 $	2016 $
Corporation tax		
Current tax on profits for the year	**2,140,018**	1,246,386
Adjustments in respect of previous periods	**(103,234)**	(2,823)
	2,036,784	1,243,563
Total current tax	**2,036,784**	1,243,563
Deferred tax		
Origination and reversal of timing differences	**577,773**	(44,023)
Adjustments in respect of prior period	**(444,219)**	(34,878)
Effect of tax rate change on opening balance	**-**	(12,967)
Total deferred tax	**133,554**	(91,868)
Taxation on profit on ordinary activities	**2,170,338**	1,151,695

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 $	2016 $
Profit on ordinary activities before tax	**8,832,884**	4,332,230
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	**1,766,577**	866,446
Effects of:		
Depreciation in excess of capital allowances for the year	**984,034**	351,585
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**18,742**	38,505
Capital allowances for year in excess of depreciation	**-**	(8,637)
Adjustments due to exchange rate movements	**18,485**	(151,093)
Adjustments to tax charge in respect of prior periods	**(576,752)**	-
Other timing differences leading to an increase (decrease) in taxation	**(40,748)**	54,889
Total tax charge for the year	**2,170,338**	1,151,695

Notes to the Financial Statements
For the Year Ended 31 December 2017

12. Intangible assets

Group and Company

	Development $	Trademarks $	Goodwill $	Total $
Cost				
At 1 January 2017	32,579	5,213	15,669,449	15,707,241
At 31 December 2017	32,579	5,213	15,669,449	15,707,241
Amortisation				
At 1 January 2017	18,777	5,154	3,133,888	3,157,819
Charge for the year	5,819	53	1,567,488	1,573,360
At 31 December 2017	24,596	5,207	4,701,376	4,731,179
Net book value				
At 31 December 2017	7,983	6	10,968,073	10,976,062
At 31 December 2016	13,802	59	12,535,561	12,549,422

13. Tangible fixed assets

Group

	Long-term leasehold property $	Plant and machinery $	Fixtures and fittings $	Office equipment $	Capitalised inventory $	Warehouse and storage equipment $	Total $
Cost							
At 1 January 2017	4,198	1,527,541	1,105,857	613,363	4,107,674	584,327	7,942,960
Additions	-	155,189	34,895	242,872	1,818,972	21,493	2,273,421
Disposals	-	-	-	-	(1,000)	-	(1,000)
At 31 December 2017	4,198	1,682,730	1,140,752	856,235	5,925,646	605,820	10,215,381
Depreciation							
At 1 January 2017	2,519	641,416	465,593	163,346	543,452	334,260	2,150,586
Charge for the year on owned assets	839	361,974	272,981	163,243	526,465	133,667	1,459,169
Disposals	-	-	-	-	(431)	-	(431)
At 31 December 2017	3,358	1,003,390	738,574	326,589	1,069,486	467,927	3,609,324
Net book value							
At 31 December 2017	840	679,340	402,178	529,646	4,856,160	137,893	6,606,057
At 31 December 2016	1,679	886,125	640,264	450,017	3,564,222	250,067	5,792,374

13. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2017 $	2016 $
Long leasehold	**840**	1,679
	840	1,679

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 $	2016 $
Warehouse and storage equipment	**23,416**	40,633
Furniture, fittings and equipment	**210,727**	286,448
	234,143	327,081

Notes to the Financial Statements
For the Year Ended 31 December 2017

14. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
AerFin Limited	Ordinary	100 %	Sale and repair of airline components
AerFin Ireland Limited	Ordinary	100 %	Leasing and trading of commercial aircraft and engines

Company

	Investments in subsidiary companies $
Cost or valuation	
At 1 January 2017	**20,131,542**
At 31 December 2017	**20,131,542**
Net book value	
At 31 December 2017	**20,131,542**
At 31 December 2016	20,131,542

15. Stocks

	Group 2017 $	Group 2016 $	**Company 2017 $**	Company 2016 $
Finished goods and goods for resale	**33,033,677**	44,711,410	-	-

Notes to the Financial Statements

For the Year Ended 31 December 2017

16. Debtors

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Trade debtors	**9,650,670**	12,159,648	**-**	-
Amounts owed by group undertakings	**-**	-	**63,197,364**	63,821,937
Other debtors	**280,320**	152,973	**-**	-
Prepayments and accrued income	**17,029,324**	632,550	**-**	-
Financial instruments	**-**	504,854	**-**	-
	26,960,314	13,450,025	**63,197,364**	63,821,937

17. Cash and cash equivalents

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Cash at bank and in hand	**22,732,318**	18,835,957	**4,669**	62,671
Less: bank overdrafts	**(1)**	-	**(1)**	-

18. Creditors: Amounts falling due within one year

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Bank overdrafts	**1**	-	**1**	-
Trade creditors	**1,213,059**	2,234,219	**-**	-
Corporation tax	**980,359**	1,249,410	**142**	3,353
Other taxation and social security	**186,987**	269,146	**-**	-
Obligations under finance lease and hire purchase contracts	**77,266**	15,450	**-**	-
Other creditors	**389,254**	853,382	**-**	627,897
Accruals and deferred income	**4,657,912**	4,870,859	**-**	51,055
	7,504,838	9,492,466	**143**	682,305

Notes to the Financial Statements
For the Year Ended 31 December 2017

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

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Net obligations under finance leases and hire purchase contracts	**190,434**	29,667	**-**	-

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2017 $	Group 2016 $
Within one year	**77,266**	15,450
Between 1-2 years	**190,434**	29,667
	267,700	45,117

21. Financial instruments

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Financial assets				
Financial assets measured at fair value through profit or loss	**-**	504,854	**-**	-
Financial assets measured at amortised cost	**32,663,308**	31,148,578	**63,202,033**	63,884,608
	32,663,308	31,653,432	**63,202,033**	63,884,608
Financial liabilities				
Financial liabilities measured at amortised cost	**(6,379,346)**	(7,973,910)	**(1)**	(678,952)
	(6,379,346)	(7,973,910)	**(1)**	(678,952)

Financial assets measured at fair value through profit or loss comprise foreign currency forward contracts.

Financial assets that are measured at amortised cost comprise of cash balances, trade debtors and other debtors excluding prepayments.

Financial liabilities measured at amortised cost comprise of bank overdraft, trade creditors, amounts owed to group undertakings, finance lease obligations and accruals, excluding the taxation liabilities.

Valuation method
All derivative financial instruments are measured using the "mark to market" value of the financial instrument at the reporting date.

Notes to the Financial Statements
For the Year Ended 31 December 2017

22. Deferred taxation

Group

	2017 $	2016 $
At beginning of year	**(126,812)**	(269,744)
Charged to profit or loss	**(133,554)**	142,932
At end of year	**(260,366)**	(126,812)

At end of year

The provision for deferred taxation is made up as follows:

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Accelerated capital allowances	**(260,366)**	(126,812)	-	-
	(260,366)	(126,812)	-	-

23. Share capital

	2017 $	2016 $
Shares classified as equity		
Allotted, called up and fully paid		
18,102,368 Ordinary shares of £0.000025 each	**680**	680

24. Reserves

Profit and loss account
Includes all current and prior period retained profits and losses, less any dividends paid.

Share premium account
Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares is deducted from share premium.

Merger relief reserve
Relates to the 20 shares issued as part of the consideration paid for the acquisition of AerFin Limited.

Notes to the Financial Statements
For the Year Ended 31 December 2017

25. Commitments under operating leases

At 31 December 2017 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 $	Group 2016 $
Land and buildings		
Not later than 1 year	**444,494**	406,688
Later than 1 year and not later than 5 years	**1,100,505**	1,263,855
Later than 5 years	**470,026**	579,783
	2,015,025	2,250,326

	Group 2017 $	Group 2016 $
Other items		
Not later than 1 year	**-**	9,166

26. Related party transactions

The company has taken the exemption permitted by Financial Reporting standard 102 section 33 not to disclose any related party transactions with any companies in the group headed by AerFin Holdings Limited, on the basis that they are a wholly owned group and consolidated accounts are publicly available.

At the year ending 31 December 2017, AerFin Holdings Limited had a director's loan balance of $nil. For the year ending 31 December 2016, the balance owed to the director was $627,897. No interest was paid on this loan balance. The balance is disclosed in note 18.

27. Controlling party

AerFin Holdings Limited is owned 87% by CVI AerFin Holdings LP and 13% by Mr R James (director). The ultimate parent company and controlling party is considered to be CVI AerFin Holdings LP, which is incorporated in the US.