

Report on Review of Interim Financial Information

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2014 which comprises the consolidated income statement, the consolidated balance sheet, the consolidated cash flow statement and the related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review 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 formed.

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 half-yearly financial report in accordance with the Rules of the London Stock Exchange.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. 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. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Rules of the London Stock Exchange.



Kingston Smith LLP
Chartered Accountants

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Date: 28 April 2015

AVATION PLC
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

	Note	31 December 2014	31 December 2013
		US\$	US\$
Continuing operations			
Revenue	4	27,677,505	24,560,737
Cost of sales		—	—
Gross profit		27,677,505	24,560,737
Other income	5	4,459,327	1,652,852
Other operating expenses	6	(12,912,666)	(7,536,993)
Expenses			
– Administrative expenses		(3,358,468)	(2,563,604)
– Finance expense	7	(8,887,207)	(8,218,514)
Profit before taxation		6,978,491	7,894,478
Taxation		(688,968)	(1,718,829)
Profit for the financial year		6,289,523	6,175,649
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising on consolidation		(12,600)	(48)
Other comprehensive income, net of tax		(12,600)	(48)
Total comprehensive income for the financial period, all attributable to equity holders of the Company		6,276,923	6,175,601
Profit attributable to:			
Equity holders of the parent		6,028,142	5,625,607
Non-controlling interest		261,381	550,042
		6,289,523	6,175,649
Total comprehensive income attributable to:			
Equity holders of the parent		6,017,170	5,625,577
Non-controlling interest		259,753	550,024
		6,276,923	6,175,601
Earnings per share			
– Basic		11.39 cents	11.60 cents
– Fully diluted		11.39 cents	11.60 cents

AVATION PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMBER 2014

	Note	31 December 2014 US\$	30 June 2014 US\$
ASSETS			
Current assets:			
Cash and cash equivalents		21,938,621	23,394,739
Trade and other receivables		3,377,193	2,804,086
Prepayments		1,907,527	2,156,478
Inventories		2,840,000	—
Total current assets		<u>30,063,341</u>	<u>28,355,303</u>
Non-current assets:			
Trade and other receivables		7,273,485	11,268,750
Loan receivables		13,400,000	—
Prepayments		6,832,448	6,295,123
Property, plant and equipment	8	443,254,589	367,325,131
Goodwill		2,384,008	2,384,008
Total non-current assets		<u>473,144,530</u>	<u>387,273,012</u>
Total assets		<u>503,207,871</u>	<u>415,628,315</u>
LIABILITIES AND EQUITY			
Current liabilities:			
Trade and other payables		6,601,609	6,141,301
Deferred lease income		380,831	273,110
Provision for taxation		1,389,294	1,098,664
Loans and borrowings		42,315,717	62,173,186
Short-term provisions		491,607	—
Total current liabilities		<u>51,179,058</u>	<u>69,686,261</u>
Non-current liabilities:			
Trade and other payables		10,971,049	8,188,983
Deferred lease income		1,561,627	1,579,332
Loans and borrowings		311,157,264	218,984,900
Deferred tax liabilities		6,680,172	6,421,855
Total non-current liabilities		<u>330,370,112</u>	<u>235,175,070</u>
Equity attributable to shareholders:			
Share capital	9	990,758	891,301
Treasury shares	9	(682,333)	(682,333)
Share premium		45,686,299	31,424,215
Assets revaluation reserve		10,158,496	10,158,496
Capital redemption reserve		11,564	11,564
Warrant reserve		90,004	—
Capital reserve		7,882,078	3,856,141
Foreign currency translation reserve		(9,826)	1,146
Retained earnings		<u>55,355,778</u>	<u>50,446,477</u>
		119,482,818	96,107,007
Non-controlling interest		<u>2,175,883</u>	<u>14,659,977</u>
Total equity		<u>121,658,701</u>	<u>110,766,984</u>
Total liabilities and equity		<u>503,207,871</u>	<u>415,628,315</u>

AVATION PLC

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

	Share capital US\$	Treasury shares US\$	Share premium US\$	Assets		Capital		Warrant reserve US\$	Foreign currency		Retained earnings US\$	Total US\$	Non-controlling interest US\$	Total equity US\$
				Revaluation reserve US\$	Redemption reserve US\$	Translation reserve US\$	Translation reserve US\$							
Balance at 1 July 2014	891,301	(682,333)	31,424,215	10,158,496	11,564	—	3,856,141	1,146	50,446,477	96,107,007	14,659,977	110,766,984		
Profit for the year	—	—	—	—	—	—	—	—	6,028,142	6,028,142	261,381	6,289,523		
Other comprehensive income	—	—	—	—	—	—	—	(10,972)	—	(10,972)	(1,628)	(12,600)		
Total comprehensive income	—	—	—	—	—	—	—	(10,972)	6,028,142	6,017,170	259,753	6,276,923		
Dividend related to 2014 paid	—	—	—	—	—	—	—	—	(1,118,841)	(1,118,841)	—	(1,118,841)		
Treasury shares of a subsidiary	—	—	—	—	—	—	366,263	—	—	366,263	17,500	383,763		
Increase in issued share capital	99,457	—	14,585,803	—	—	—	—	—	14,685,260	14,685,260	—	14,685,260		
Share issue expenses	—	—	(323,719)	—	—	—	—	—	—	(323,719)	—	(323,719)		
Warrant expense	—	—	—	—	—	—	90,004	—	—	90,004	—	90,004		
Changes in ownership interest in a subsidiary – acquisition of non-controlling interest without a change in control	—	—	—	—	—	—	3,659,674	—	—	3,659,674	(12,761,347)	(9,101,673)		
Balance at 31 December 2014	990,758	(682,333)	45,686,299	10,158,496	11,564	90,004	7,882,078	(9,826)	55,355,778	119,482,818	2,175,883	121,658,701		
Balance at 1 July 2013	878,137	(214,498)	29,809,334	10,158,496	11,564	103,565	2,530,212	(251)	37,949,162	81,225,721	17,010,638	98,236,359		
Profit for the year	—	—	—	—	—	—	—	—	5,625,607	5,625,607	550,042	6,175,649		
Other comprehensive income	—	—	—	—	—	—	—	(30)	—	(30)	(18)	(48)		
Total comprehensive income	—	—	—	—	—	—	—	(30)	5,625,607	5,625,577	550,024	6,175,601		
Dividend related to 2013 paid	—	—	—	—	—	—	—	—	(866,621)	(866,621)	—	(866,621)		
Purchase of treasury shares	—	(467,835)	—	—	—	—	—	—	—	(467,835)	—	(467,835)		
Warrant expired	—	—	—	—	—	—	(103,565)	—	103,565	—	—	—		
Balance at 31 December 2013	878,137	(682,333)	29,809,334	10,158,496	11,564	—	2,530,212	(281)	42,811,713	85,516,842	17,560,662	103,077,504		

AVATION PLC
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

	31 December 2014	31 December 2013
	US\$	US\$
Cash flows from operating activities:		
Profit before taxation	6,978,491	7,894,478
Adjustments for:		
Depreciation expense	12,339,141	7,466,753
Property, plant and equipment written off	12,238	—
Claim on maintenance reserve	—	70,240
Amortisation of loan premium	539,120	539,120
Amortisation of interest expense on deposit collected	162,894	—
Warrant expense	90,004	—
Interest expense	8,185,193	7,679,394
Finance income	(155,908)	—
Interest income	(72,713)	(11,003)
Operating profit before working capital changes	28,078,460	23,638,982
Movement in working capital:		
Trade and other receivables and prepayments	2,594,664	(640,261)
Deferred lease income	(72,878)	—
Trade and other payables	2,524,968	6,443,812
Short-term provisions	491,607	(3,827,321)
Cash from operations	33,616,821	25,615,212
Interest paid	(7,311,879)	(7,321,594)
Interest received	72,713	11,003
Corporation tax paid	(140,021)	(788,451)
Net cash from operating activities	26,237,634	17,516,170
Cash flows from investing activities:		
Loan receivables	(13,400,000)	—
Purchase of property, plant and equipment	(91,120,837)	(17,803,062)
Purchase of additional shares in a subsidiary from NCI	(842,648)	—
Repurchase of a subsidiary's treasury shares	(383,763)	—
Net cash used in investing activities	(105,747,248)	(17,803,062)
Cash flows from financing activities:		
Net proceeds from issuance of ordinary shares	6,870,041	—
Dividends paid	(1,118,841)	(866,621)
Repurchase of treasury shares	—	(467,835)
Proceeds from loans and borrowings	88,490,242	16,602,575
Repayment of loans and borrowings	(16,175,347)	(11,474,086)
Capital element of finance lease repayments	—	(1,313,494)
Net cash from financing activities	78,066,095	2,480,539
Effects of exchange rates on cash and cash equivalents	(12,599)	(48)
Net (decrease) / increase in cash and cash equivalents	(1,456,118)	2,193,599
Cash and cash equivalents at beginning of financial year	23,394,739	19,623,244
Cash and cash equivalents at end of financial year	21,938,621	21,816,843

AVATION PLC
NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

The Interim Report for Avation PLC for the six months ended 31 December 2014 was approved by the Directors on 28 April 2015.

1 CORPORATE INFORMATION

Avation PLC (the Company) is a public limited company incorporated and domiciled in England and Wales under the Companies Act 2006 (Registration Number 05872328).

The principal activities of the Company and its subsidiaries are the holding of investments involved in owning, leasing aircraft and trading of broadcasting equipment and procurement business. The Company also owns and leases aircraft in its own right.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This Interim Report has been prepared in accordance with the Disclosure and Transparency Rules (DTR) of the Financial Services Authority and in accordance with International Accounting Standard (IAS) 34 'Interim Reporting'.

The Interim Report does not include all the notes of the type normally included within the annual report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the consolidated entity as the full financial report.

It is recommended that the Interim Report be read in conjunction with the annual report for the year ended 30 June 2014 and considered together with any public announcements made by Avation PLC during the six months ended 31 December 2014.

The accounting policies and methods of computation are the same as those adopted in the annual report for the year ended 30 June 2014.

The preparation of the Interim Report requires management to make estimates and assumptions that affect the reported income and expense, assets and liabilities and disclosure of contingencies at the date of the interim Report, actual results may differ from these estimates.

The statutory financial statements of Avation PLC for the year ended 30 June 2014, which carried an unqualified audit report, have been delivered to the Registrar of Companies and did not contain section 498 of the Companies Act 2006.

The Interim Report does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Executive Chairman ("Chief Operating Decision Maker" or "CODM") that are used to make strategic decisions.

The CODM considers the business from a business segment perspective. Management manages and monitors the business in the 2 primary business areas: aircraft leasing and business procurement.

a) Segment reporting policy

A segment is a distinguishable component of the Group within a particular economic environment (geographical segment) and to a particular industry (business segment) which is subject to risks and rewards that are different from those of other segments.

The business segments, is based on the Group's management and internal reporting structure. In presenting information on the basis of business segments, segment revenue and segment assets are based on the nature of the products or services provided by the Group, information for geographical segments is based on the geographical areas where the customers are located.

AVATION PLC
NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

3 SEGMENT INFORMATION (CON'T)

Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of corporate assets and liabilities or profit or losses items that are not directly attributable to a segment or those that cannot be allocated on a reasonable basis. Common expenses were allocated based on revenue from the Group.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year.

b) Business segments

During the six months ended 31 December 2014, the Group was organised into two main business segments which are aircraft leasing and business procurement.

Other operations of the Group mainly comprise investment holding which does not constitute a separate reportable segment. There are no inter-segment transactions recorded during the financial period.

The business procurement segment does not meet the quantitative thresholds and is not separately disclosed.

c) Geographical analysis

	<u>Europe</u>	<u>North America</u>	<u>Australia and Oceania</u>	<u>Asia</u>	<u>Total</u>
	US\$	US\$	US\$	US\$	US\$
31 December 2014					
Revenue	6,445,452	146,667	20,106,708	978,678	27,677,505
31 December 2014					
Net book value –					
aircraft	95,181,843	—	293,638,704	54,255,791	443,076,338
Total assets	<u>120,164,162</u>	<u>16,277,160</u>	<u>294,975,756</u>	<u>71,790,793</u>	<u>503,207,871</u>
	<u>Europe</u>	<u>North America</u>	<u>Australia and Oceania</u>	<u>Asia</u>	<u>Total</u>
	US\$	US\$	US\$	US\$	US\$
31 December 2013					
Revenue	5,800,000	350,000	18,410,737	—	24,560,737
30 June 2014					
Net book value –					
aircraft	79,215,923	6,841,366	281,207,642	—	367,264,931
Total assets	<u>96,652,653</u>	<u>6,841,366</u>	<u>307,695,428</u>	4,438,868	<u>415,628,315</u>

4 REVENUE

	<u>31 December 2014</u>	<u>31 December 2013</u>
	US\$	US\$
Rental income	<u>27,677,505</u>	<u>24,560,737</u>

AVATION PLC
NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

5 OTHER INCOME

	<u>31 December 2014</u>	<u>31 December 2013</u>
	<u>US\$</u>	<u>US\$</u>
Interest income	72,713	11,003
Foreign currency exchange adjustment gain	—	208,003
Finance income from the discounting of non-current deposits to present value	155,908	—
Profit from sale of property, plant and equipment	—	1,433,784
Others	4,230,706	62
	<u>4,459,327</u>	<u>1,652,852</u>

6 OTHER OPERATING EXPENSES

	<u>31 December 2014</u>	<u>31 December 2013</u>
	<u>US\$</u>	<u>US\$</u>
Claim on maintenance reserve expense	—	70,240
Foreign currency exchange adjustment loss	573,525	—
Depreciation of property, plant and equipment	12,339,141	7,466,753
	<u>12,912,666</u>	<u>7,536,993</u>

7 FINANCE EXPENSES

	<u>31 December 2014</u>	<u>31 December 2013</u>
	<u>US\$</u>	<u>US\$</u>
Interest expense on borrowings	8,185,193	7,679,394
Amortisation of loan insurance premium	539,120	539,120
Notional interest on deposit collected	162,894	—
	<u>8,887,207</u>	<u>8,218,514</u>

8 PROPERTY, PLANT AND EQUIPMENT

	<u>Furniture and equipment US\$</u>	<u>Jet US\$</u>	<u>Turbo Props US\$</u>	<u>Total US\$</u>
31 December 2014				
Cost or valuation:				
At 1 July 2014	133,151	177,595,796	252,999,855	430,728,802
Additions	161,011	—	90,959,826	91,120,837
Disposal/written off	(87,297)	—	—	(87,297)
Reclassification	—	(13,477,625)	—	(13,477,625)
At 31 December 2014	<u>206,865</u>	<u>164,118,171</u>	<u>343,959,681</u>	<u>508,284,717</u>
Representing:				
At cost	206,865	—	—	206,865
At valuation	—	164,118,171	343,959,681	508,077,852
	<u>206,865</u>	<u>164,118,171</u>	<u>343,959,681</u>	<u>508,284,717</u>
Accumulated depreciation and impairment:				
At 1 July 2014	72,951	48,129,215	15,201,505	63,403,671
Depreciation charge	30,722	7,264,208	5,044,211	12,339,141
Disposal/written off	(75,059)	—	—	(75,059)
Reclassification	—	(10,637,625)	—	(10,637,625)
At 31 December 2014	<u>28,614</u>	<u>44,755,798</u>	<u>20,245,716</u>	<u>65,030,128</u>
Net carrying amount:				
At 1 July 2014	<u>60,200</u>	<u>129,466,581</u>	<u>237,798,350</u>	<u>367,325,131</u>
At 31 December 2014	<u>178,251</u>	<u>119,362,373</u>	<u>323,713,965</u>	<u>443,254,589</u>

AVATION PLC
NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

8 PROPERTY, PLANT AND EQUIPMENT (CON'T)

	Furniture and equipment	Jet	Turbo Props	Total
	US\$	US\$	US\$	US\$
30 June 2014				
Cost or valuation:				
At 1 July 2013	20,120	177,595,796	217,015,882	394,631,798
Additions	113,031	—	71,662,590	71,775,621
Disposal	—	—	(35,678,617)	(35,678,617)
At 30 June 2014	<u>133,151</u>	<u>177,595,796</u>	<u>252,999,855</u>	<u>430,728,802</u>
Representing:				
At cost	133,151	—	—	133,151
At valuation	—	177,595,796	252,999,855	430,595,651
	<u>133,151</u>	<u>177,595,796</u>	<u>252,999,855</u>	<u>430,728,802</u>
Accumulated depreciation and impairment:				
At 1 July 2013	12,411	39,646,096	7,772,902	47,431,409
Depreciation charge	60,540	7,769,869	7,428,603	15,259,012
Impairment	—	713,250	—	713,250
At 30 June 2014	<u>72,951</u>	<u>48,129,215</u>	<u>15,201,505</u>	<u>63,403,671</u>
Net carrying amount:				
At 1 July 2013	<u>7,709</u>	<u>137,949,700</u>	<u>209,242,980</u>	<u>347,200,389</u>
At 30 June 2014	<u>60,200</u>	<u>129,466,581</u>	<u>237,798,350</u>	<u>367,325,131</u>

9 SHARE CAPITAL AND TREASURY SHARES

a) Share capital

	31 December 2014		30 June 2014	
	No of shares	US\$	No of shares	US\$
Allotted, called up and fully paid Ordinary shares of 1 penny each				
At 1 July	49,604,639	891,301	48,822,960	878,519
Issue of shares	6,059,088	99,457	781,679	12,782
At 31 December/30 June	<u>55,663,727</u>	<u>990,758</u>	<u>49,604,639</u>	<u>891,301</u>

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

- a) On 3 July 2014, the Company issued 3,000,000 ordinary shares of 1 penny each at 140 pence following a private placement exercise raising gross proceeds of £4.2 million (equivalent to US\$7,193,760).
- b) On 24 September 2014, the Company issued 273,027 ordinary shares of 1 penny at each at 164 pence each as consideration for the acquisition of 2,184,216 ordinary shares in its subsidiary, Capital Lease Aviation PLC.
- c) On 20 November 2014, the Company issued 2,786,061 ordinary shares of 1 penny at each at 164 pence each as consideration for the acquisition of 21,065,334 ordinary shares in its subsidiary, Capital Lease Aviation PLC.

AVATION PLC
NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

9 SHARE CAPITAL AND TREASURY SHARES (CON'T)

b) Treasury shares

	<u>31 December 2014</u>		<u>30 June 2014</u>	
	<u>No of treasury shares</u>	<u>US\$</u>	<u>No of treasury shares</u>	<u>US\$</u>
At 1 July	450,000	682,333	150,000	214,498
Acquired during the period	—	—	300,000	467,835
At 31 December/30 June	<u>450,000</u>	<u>682,333</u>	<u>450,000</u>	<u>682,333</u>

10 DIVIDENDS PAID

	<u>31 December 2014</u>	<u>31 December 2013</u>
	<u>US\$</u>	<u>US\$</u>
<i>Declared/paid during the 6 months ended 31 December 2014</i>		
<i>Dividends on ordinary shares</i>		
– Final exempt (one-tier) dividend for 2014:2.01 US cents (2013:1.78 US cents) per share	<u>1,118,841</u>	<u>866,621</u>

No dividends have been declared subsequent to 31 December 2014.

11 CONTINGENT LIABILITIES

There were no material changes in contingent liabilities since 30 June 2014.

12 TRANSACTIONS WITH RELATED PARTIES

Significant related party transactions:

	<u>31 December 2014</u>	<u>31 December 2013</u>
	<u>US\$</u>	<u>US\$</u>
<i>Entities controlled by key management personnel (including directors):</i>		
Interest income	2,383	5,140
Rental expense paid	(9,182)	—
Service fee paid	(36,000)	(4,830)
Interest expense paid	<u>(223,332)</u>	<u>(326,294)</u>
<i>Ex-director of a subsidiary:</i>		
Interest expense paid	—	<u>19,654</u>

The nature and contractual terms of key management compensation and inter-company transactions during the period are consistent with the disclosures in the Annual Report for the year ended 30 June 2014.

13 EVENTS AFTER THE BALANCE SHEET DATE

On 13 February 2015 the Company announced it had terminated the lease of one aircraft and entered into a conditional sale agreement to sell this and one other aircraft to be delivered in 2015 at prices consistent with current market values.

PRINCIPAL RISKS

The Group's risk management processes bring greater judgement to decision making as they allow management to make better, more informed and more consistent decisions based on a clear understanding of risks involved. We regularly review the risk assessment and monitoring process as part of our commitment to continually improve the quality of decision-making across the Group.

The principal risks and uncertainties which may affect the Group in the second half of the financial year will include the typical risks associated with the aviation business, including but not limited to any downturn in the global aviation industry, fuel costs, finance costs, war and terrorism and the like which may affect our airline customers' ability to fulfil their lease obligations.

The business also relies on its ability to source finance on favourable terms. Should this supply of finance contract, it would limit our fleet expansion and therefore growth.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. The financial risk management objectives and policies of the Group and the exposure of the Group to credit risk and liquidity risk are discussed in the annual report for the Group for the year ended 30 June 2014.

DIRECTORS

The directors of Avation PLC are listed in its Annual Report for the year ended 30 June 2014. A list of the current directors is maintained on the Avation PLC website: www.avation.net.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that, to the best of their knowledge, this condensed consolidated interim financial information have been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 namely

- an indication of important events that have occurred during the first six months and their impact on the Interim Report, and a description required by the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

By order of the Board



Jeff Chatfield
Executive Chairman

28 April 2015