AWAS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2016

- $1.0bn of revenue
- Over $800m of EBITDA
- Over $8.2bn of assets
- Over 210 aircraft

Contents

Letter from the CEO

AWAS has grown into one of the most respected aircraft leasing platforms over the course of its 30-year history. This evolution has been steered by a number of owners, notably Terra Firma and the Canadian Pension Plan Investment Board (CCPIB). Following a decade of prudent management, Terra Firma and CCPIB have agreed to sell AWAS to Dubai Aerospace Enterprise (DAE) Ltd.

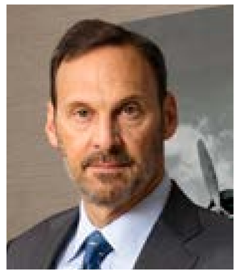
This agreement is very positive for AWAS and will allow our business to move into the next phase of growth. AWAS remains committed to a stable growth strategy and will continue to look for opportunities to provide aircraft lease and fleet solutions to our airline customers.

The acquisition of AWAS by DAE takes place following a record year for the airline industry, with profits at an all-time high and most airlines on a path to sustained profitability. The past decade has seen the industry undergo fundamental change. Legacy airlines have restructured themselves and the efficient low-cost business model is now firmly established in almost every region of the world. The benefits of these changes have translated into an upswing in passenger numbers globally. In short, the industry has never been healthier and its future has never been brighter.

This turnaround has resulted in strong growth for the aircraft leasing industry, underscored by robust financial performance and the continuing shift towards leasing by airlines. This is good news for lessors, who form an integral part of airline fleet financing and strategy – representing around 40% of all financings today and headed towards 50% of the total market over the next couple of decades.

Within this favourable environment, AWAS delivered excellent returns for its shareholders, with operating profit before tax of $246.6m on $956.4m in revenues. Of note, AWAS closed 52 new leasing transactions with 33 customers and sold 59 aircraft, principally through two significant portfolio sales, including the completion of the sale of the "SkyFin" portfolio to Macquarie, one of the largest aircraft divestments in our industry.

Last year we completed the re-balancing of our portfolio, eliminating all out of production passenger aircraft from our fleet. Going forward, AWAS will continue to focus on the most liquid and in-demand aircraft types, with a particular emphasis on fuel efficient planes. At year-end, AWAS had 214 aircraft on lease to 87 customers in 48 countries.



AWAS CEO
David N. Siegel

AWAS also completed a forward order for 23 new, fuel efficient A320 family aircraft from Airbus, which will deliver from August 2017 to December 2018. These aircraft are a great value proposition for our customers as evidenced by the continued global demand for Airbus single aisle aircraft. This pipeline puts us in a strong position to provide extra capacity to our airline customers as passenger demand grows over the next couple of years.

Our strategic focus continues to be the management of our portfolio in order to optimise customer concentration, whilst maintaining diverse sources of financing at competitive rates. AWAS has one of the broadest client-bases in the business compared to the size of its fleet. This balanced approach to risk management ensures that AWAS does not have undue exposure to any particular carrier, country or region.

Most importantly as we are in a core knowledge business, it is our people who continue to drive the success of AWAS, maintaining the 30+ year proven track record of customer-focused performance. AWAS now embarks upon a new era of ownership, and is well placed to deliver sustained growth.

Signed

/s/ D. Siegal

David N. Siegel
Chief Executive Officer
April 2017

AWAS Customer Relationships

DELIVERING FLEXIBLE AND INNOVATIVE AIRCRAFT LEASING SOLUTIONS TO OUR VALUED CUSTOMERS

AWAS has a broad airline customer base of 87 customers from all regions of the world and an overall portfolio distribution reflective of regional market sizes and growth levels. AWAS' largest market is Asia-Pacific by both value of assets and number of airline customers. AWAS also has a strong presence in the Americas, Europe, the Middle East and Africa.

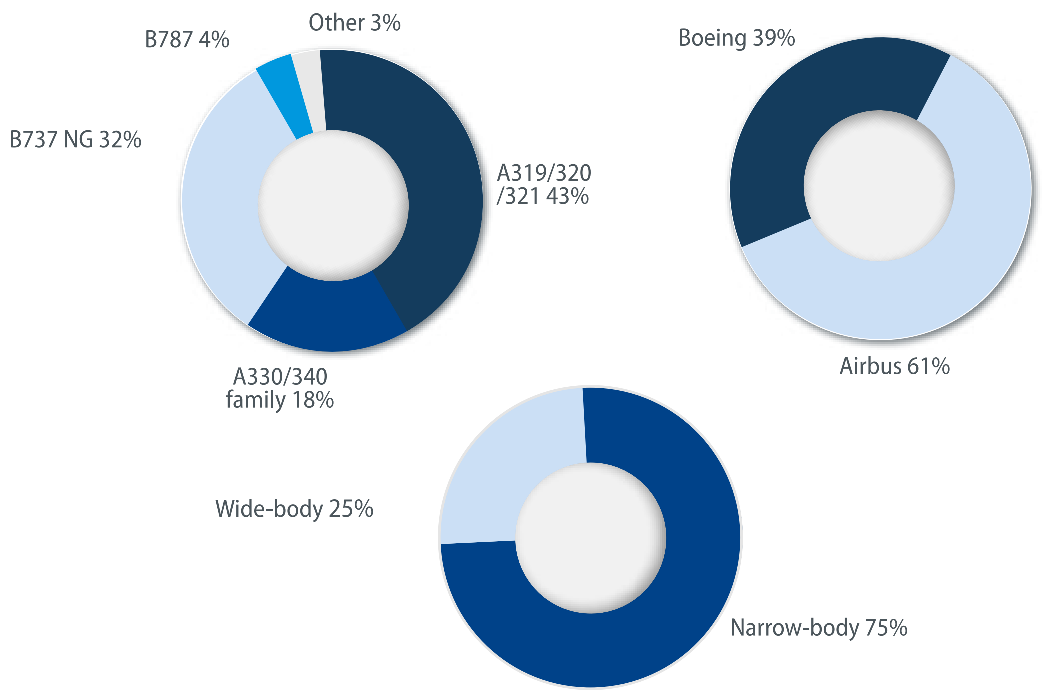
The Company is highly diversified by lessee, with the single largest customer representing less than 6% of the portfolio by lease revenue. AWAS leases to airlines in 48 countries. Our airline customer base is highly diversified across business models ranging from flag carriers, global network carriers and high-growth low-cost carriers, to more modest-sized regional and niche operators.

The AWAS commercial team has a deep understanding of airline fleet requirements, which is critical in developing fleet solutions that deliver a strong value proposition to our customers. AWAS constantly looks for opportunities to grow its business with our existing customers and to expand our footprint where appropriate with previous and new clients.

Highly Diversified Fleet Portfolio

AWAS is a top ten aircraft leasing company with a fleet of 238 aircraft, of which 214 are owned and have a book value of $7.5bn, including aircraft held-for-sale. AWAS manages a portfolio of 24 aircraft on behalf of Diamond Head.

Aircraft types as % of NBV*



* NBV excludes aircraft held-for-sale and managed aircraft

* Other includes B737 classics, B747, B757, B767, B777.

The AWAS fleet features a range of aircraft types, including 181 narrow-body and 33 wide-body aircraft, which are leased to 87 lessees in 48 countries. In addition to our current fleet, AWAS has orders for 23 new, fuel-efficient A320 Family aircraft from Airbus. These orders will deliver from August 2017 to December 2018, with the majority of these aircraft already placed with both new customers and long-established partners.

The AWAS lease portfolio is highly diversified geographically and by airline, with the top five lessees representing 18.7% of the portfolio based on lease revenue as of 30 November, 2016. Singapore Airlines is our largest customer at 5.7% of the total portfolio based on lease revenue.

LESSEE	NOV-16
Singapore Airlines	5.7%
Aeroflot	4.1%
Asiana Airlines	3.3%
Philippine Airlines	2.9%
Ethiopian Airlines	2.7%
TOP 5 CUSTOMERS – TOTAL	18.7%

During 2016, AWAS completed $1.3bn of financings of aircraft and closed 52 new leasing transactions with 33 customers. In addition, 59 aircraft were sold with a combined average age of 15.7 years, which includes 41 aircraft sold as part of two significant portfolio transactions. Of note, 2016 saw the completion of the sale of 84 aircraft to Macquarie. AWAS also completed the sale of 29 aircraft to Diamond Head during the year.

Acquiring Aircraft & Divestments

Since 2007, AWAS has acquired $12bn of aircraft assets. These acquisitions are the result of a multi-channel strategy executed through airline purchase leasebacks, secondary market trading and original equipment manufacturer forward orders. This strategy enables AWAS to generate a large volume of investment opportunities and optimise its acquisition activity through market cycles.

Over the past five years AWAS has divested more than 200 aircraft to over 70 counterparties composed of airlines, lessors, financial investors, asset managers, and part-out specialists.

Developing Relationships with our Partners in 2016

2016 proved to be a strong year for AWAS in a competitive market environment. We re-affirmed our commitment to creating enhanced value for our shareholders with the order of 23 A320 Family aircraft from Airbus. This order demonstrates the importance of the continued development of our relationship with the aircraft manufacturers.

The A320 Family aircraft continues to be a highly valued proposition for customers, as is evident in the continued global demand for Airbus single aisle aircraft. These forward orders will deliver to customers in 2017 and 2018 and we are pleased to be able to offer new production A320s in support of their fleet plans.

2016 was also a year when AWAS completed the sale of the SkyFin Portfolio. This is one of the largest asset sales in the history of aviation trading, demonstrating in a tangible fashion the strength of the AWAS platform.

DEVELOPING LASTING RELATIONSHIPS WITH AN EYE ON THE FUTURE

Capitalising on its positive relationship with the airline, AWAS and GOL entered into a sale and leaseback agreement process for five 737 MAX8 aircraft. AWAS leveraged its relationship and reputation with both GOL and Boeing to provide a competitive solution, and deliver excellent lease terms.

This complete solution for GOL's 737 MAX 8 requirements for 2018 and these near-term Boeing deliveries fit well with AWAS fleet mix planning. Additionally, this agreement allows AWAS to acquire its first tranche of modern next generation aircraft technology, a key component of the evolution of the AWAS portfolio strategy.

WIDE-BODY AIRCRAFT – AN ESSENTIAL PART OF THE AWAS PORTFOLIO MIX

Wide-body aircraft comprise approximately 25% of the AWAS portfolio. This leasing option provides our customers with valuable fleet opportunities as markets develop and new routes are created.

In 2016 AWAS partnered with Hong Kong Airlines in response to changing growth and passenger demands in the region. AWAS supported the Airline's fleet mix requirements with two sister-ship Airbus A330-300s, configured for this dynamic and constantly changing market.

Hong Kong Airlines use of the A330 allows them to add more popular destinations to its well established network. Their route offering includes 30 major cities across the Asia Pacific region, from Australia to Thailand, Indonesia, China and Japan.

LONG-TERM PARTNERSHIPS IN ALL KEY MARKETS

AWAS prides itself on being a 'relationship lessor' across all constituents in the aircraft market. We currently have active relationships with over 180 airlines, with many of these partnerships spanning decades. Our broad airline customer base and portfolio distribution are reflective of regional market sizes and growth levels.

During 2016, AWAS continued to develop long-standing relationships with several key players in the North American market, most notably American Airlines and Spirit Airlines. Both airlines agreed long term extensions of existing Airbus A319 and A320 family aircraft leases. AWAS supported the airline's fleet plan needs while maintaining rentals and terms aligned to market values.

AWAS External Business Overview & Strategy

At AWAS our objective is to create sustainable economic value for our shareholders and customers. We do this through the buying, leasing and selling of aircraft, to and from a diverse and globally distributed customer base, while targeting superior risk-adjusted investor returns. The strategic focus of AWAS continues to be prudent growth. This strategy involves the proactive management of our portfolio and the maintenance of diverse sources of financing at attractive rates.

AWAS is a full-service lessor that leverages its deal origination, lease placement, asset management and trading capability by acquiring aircraft new or within their first lease. This strategy is complemented by focusing on mainstream, liquid commercial jets with well understood residual value behaviour. AWAS investment planning is geared towards fuel efficient, narrow-body aircraft and smaller mix of modern wide-body aircraft, such as the Boeing 787 family.

AWAS adopts a flexible approach to its aircraft sales in order to fully exploit the industry cycle. Multiple divestment channels are used and we target the opportunistic disposal of aircraft, where returns from holding are less than the proceeds from selling.

AWAS provides tailored customer solutions and forward fleet planning to airlines in all regions of the world from established legacy carriers to low-cost airlines and start-ups. We serve challenging credits as long as the risk/return trade-offs justify the placement, and by maintaining tight counterparty concentration policies.

We have best-in-class pricing, risk and technical systems in place to fully understand the embedded value and risk in transactions. AWAS prides itself on minimising lease transition time by efficient remarketing, contract execution and aircraft transition management. We also practice a diversified funding strategy and develop solutions efficiently across a diversified pool of lenders.

AWAS' sustainable competitive advantages are rooted in its business platform developed over the past four decades. We operate an in-house full-service offering, providing us with the best possible set-up to deliver value to our shareholders and customers.

Key Differentiators

AWAS has an experienced team of aviation professionals with a diverse and relevant background in the aviation industry. We combine comprehensive industry knowledge with commercial skill to deliver sustainable growth.

AWAS' attractive asset base of modern, in-demand aircraft and long-standing airline customer relationships and world class portfolio management are key factors in our success, over the last 10 years, and have resulted in over $18bn of combined acquisition and sales activity. A strong financing track-record and robust capital structure add to the key competencies that exist within the company.

AWAS has over its a 30-year history a proven track record of strong performance led by a highly proficient management team with deep institutional knowledge. The platform has developed a number of key differentiators over this time that set it apart from its peers:

- Full Service Capability – Best-in-class support systems, technical expertise and commercial capabilities in asset management, procurement and maintenance.
- Relationship Management – Deep-rooted partner relationships with Airlines, Original Equipment Manufacturers (OEM) and financial institutions.
- Lease Transition Expertise – Efficient origination and execution of all types of aircraft transitions are managed in-house by a world-class technical team.

- Portfolio – Excellent asset and lessee diversification with disciplined re-marketing strategy to ensure roll-off aircraft are dispositioned optimally in advance of lease expiry.
- Multiple Investment Channels – Active in sale and leaseback, OEM orders and trading acquisitions.
- Differentiated Strategy – Focused on highly liquid in-demand assets and markets that deliver the best risk-adjusted returns.

Full Service Aircraft Leasing Platform

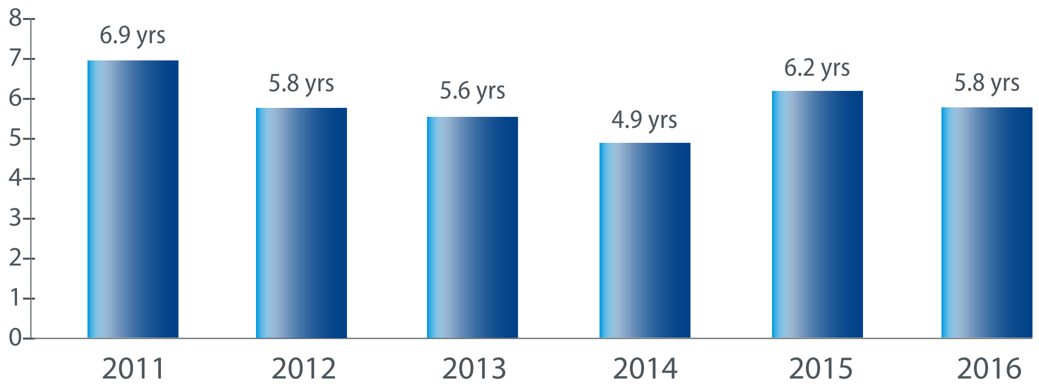
We are a global relationship lessor that leverages its commercial, technical and asset management capability at all times. We have over three decades experience in placing new aircraft on lease, managing assets through subsequent leases and transitions and divesting at the optimal time.

Our comprehensive origination coverage ensures full visibility and accessibility to opportunities which maximises deal flow and return on investment. We have the proven capability to manage aircraft, in all aspects, through their entire life-cycle.

Aircraft Portfolio

AWAS has successfully rebalanced its portfolio over the past 18 months. This strategy has resulted in a fleet comprised of the most attractive and highly marketable aircraft types in which narrow-body aircraft account for over 75% of the portfolio by net book value.

AWAS focuses on a best-in-class diversification strategy, which has resulted in a fleet with a younger age profile than many of our peers, with an average age of 5.8 years, based on CMV.



Origination and Trading

AWAS has an integrated commercial team that brings the expertise of both sales and trading to each transaction. Our commercial team has a global footprint with offices in Dublin, Miami and Singapore. AWAS serves a diverse range of customers, from start-ups, low-cost carriers or niche operators through to the majors and established network carriers.

Our business is built on a robust platform that leverages operational excellence and asset knowledge. The team has strong marketing capabilities and expertise complemented by extensive origination and trading experience.

AWAS acquires aircraft through three distinct channels – OEM orders; aircraft trading and purchase and lease back. We have a proven acquisition record across these channels and through business cycles.

Today, AWAS has active relations with over 180 airlines and 150 trading counterparties across the globe. Our Customer Relationships are a key differentiator of existing and continued success.

Maximising our Capability

AWAS has a reputation for acquiring and selling aircraft through multiple channels with flexible investment or divestment criteria, depending on market dynamics, with a long-term return focus. Our pro-active and solution based portfolio management ensures optimal placement and returns.

AWAS manages aircraft 'through the cycle', and our cross-functional management team set-up allows us to maximise the value of each transaction. Our capability and platform delivers value right throughout the aircraft life-cycle, creating competitive advantage.

Early and controlled re-marketing ensure all portfolio roll-off aircraft without exception, are extended or placed well in advance of lease expiry.

General Macroeconomic Environment Summary

Air Traffic is doubling every 15 years and the airline industry has proven its resilience over the last 30 years. 2016 total passenger numbers were up on 2015 figures by 6%, demonstrating continued year-on-year growth. These increases were driven by growth in Asian markets. Going forward total passenger growth is expected to increase by an average 4.5% per year. Future global air travel growth is expected to be dominated by Asia, including China, which now account for 44% of the AWAS portfolio.

Driven by Asia Pacific market growth, and increased passenger flows the world fleet is expected to double in the next 20 years. This has driven strong increases in forward orders, with the passenger jet order backlog standing at an all-time high of 13,396 units.

The strength of air travel growth is being met with a complementary shift towards leasing. Airlines are increasingly looking to lessors as part of their fleet financing requirements. 15 years ago, 25% of the global fleet was leased. Today, lessors represent over 40% of all financings and this is expected to hit 50% of the total market over the next couple of decades.

Outlook

We believe the outlook for the aircraft leasing industry is strong. Passenger traffic is set to continue to perform above the long-term trend for the 6th year in succession with a 6.3% increase estimate year-on-year in 2017 vs. 2016.

Oil, a major driver of cost in the airline industry averaged $44.6 per barrel in 2016, driving record airline profitability. Oil prices are expected to increase and challenge margins, topping out at $55 per barrel in 2017. Whilst this increase will make it difficult for the industry to reach the record profitability of $36bn in 2016, by historical standards oil remains relatively cheap.

There remain geopolitical tensions and regional economic uncertainty but we believe that on balance the airline and aircraft leasing industries are in good health and will continue to demonstrate strong profitability in 2017.

Sources: Ascend, IATA, Boeing, Airbus, ICAO, IMF, World Bank and AWAS

Financial Overview

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME DATA (USD $M)	YTD 2016	YTD 2015
Total revenue	956.4	1,214.0
Total expenses	(483.8)	(577.4)
Results from operating activities before impairment	472.6	636.6
Asset impairment	(177.7)	(36.7)
Results from operating activities after impairment	294.9	599.9
Internal interest on shareholder loans	(197.8)	(258.1)
Finance costs	(218.7)	(351.3)
Tax benefit	8.9	13.8
(Loss)/profit after tax	(112.7)	4.3
Profit after tax adjusted for internal interest on shareholder loans and impairment	262.8	299.1
Adjusted EBITDA	835.3	1,022.1

ADJUSTED EBITDA (USD $M)	FYE 2016	FYE 2015
Net profit	(112.7)	4.3
Add back		
Internal interest on shareholder loans	197.8	258.1
Finance costs	218.7	351.3
Tax benefit	(8.9)	(13.8)
Depreciation	362.7	385.5
Asset impairment	177.7	36.7
Adjusted EBITDA	835.3	1,022.1

OPBT (USD $M)	FYE 2016	FYE 2015
Net profit	(112.7)	4.3
Add back		
Tax benefit	(8.9)	(13.8)
Asset impairment	177.7	36.7
Internal interest on shareholder loans	197.8	258.1
Unrealised (loss)/gain on the fair value of derivatives	(7.3)	3.4
Operating Profit before Tax	246.6	288.7
Total revenue	956.4	1,214.0
OPBT margin	26%	24%

Profit after tax adjusted for internal interest on shareholder loans and impairment for the year ended 30 November, 2016 decreased to $262.8m (2015: $299.1m).

Results from operating activities before impairment were $472.6m for the year ended 30 November, 2016, compared to $636.6m for the year ended 30 November, 2015. During 2016 there was a decrease in revenue partially offset by a lower loss on transfer to held-for-sale, lower general and administrative expenses and lower depreciation and amortisation, principally reflecting the sale of portfolios of aircraft during the past 15 months.

AWAS' Operating Profit Before Tax (OPBT) of $246.6m, measured by Profit before Tax and Impairment excluding internal interest, other expenses and fair value on derivatives (MTM), was a decrease on the prior year figure of $288.7m. Overall the OPBT margin increased to 26% (2015: 24%).

AWAS ended the year with total cash and cash resources of $386.0m (2015: $695.1m) due to a lower number of aircraft in the fleet and the return of dividend to our shareholder.

REVENUES

Total revenue decreased 21.2% to $956.4m for 2016 (2015: $1,214.0m), driven primarily by a decrease in lease revenue as detailed below.

REVENUE ANALYSIS (USD $M)	FYE 2016	FYE 2015
Lease revenue	923.5	1,182.0
Maintenance revenue	54.4	57.3
Lease incentive amortisation	(25.6)	(25.3)
Amortisation of intangibles	(6.2)	(5.9)
Total lease revenue	**946.1**	**1,208.1**
Other income	10.3	5.9
Total revenue	956.4	1,214.0

Total lease revenue decreased to $946.1m for 2016 (2015: $1,208.1m). This was due to a decrease in the number of owned aircraft to 214 for 2016 from 257 for 2015.

Lease revenue decreased 21.9% to $923.5m for 2016 (2015: $1,182.0m) due primarily to the lower number of aircraft in the fleet.

During 2015 AWAS sold two portfolios of aircraft to third party buyers. These portfolios of aircraft were classified as held-for-sale from the closing date of AWAS entering into the arrangements, until title on the aircraft passed to the buyer. AWAS continued to recognise lease rental income on these portfolio of aircraft held-for-sale, notwithstanding that the arrangements provide for the final selling price on completion of sale to be reduced by the same amount. The total amount of lease revenue recognised for these aircraft was $26.9m for 2016 (2015: $289.4m).

Maintenance revenue decreased to $54.4m for 2016, (2015: $57.3m). This decrease was due to lower maintenance released on transitioning aircraft. Amortisation associated with lease incentive assets was $25.6m for 2016 (2015: $25.3m). Amortisation of intangibles for 2016 was $6.2m (2015: $5.9m).

Other income increased to $10.3m for 2016 (2015: $5.9m). Other income mainly relates to non-recurring events. Other income in 2016 relates primarily to a settlement with a lessee in respect of leases that were early terminated and sale of spare parts.

Our lease portfolio is highly diversified geographically and by airline, with our top five lessees representing 18.7% of our portfolio based on lease revenue as of 30 November, 2016. Singapore Airlines is our largest customer at 5.7% of our total portfolio based on lease revenue. Our leases with airline customers for new aircraft delivered from the manufacturer are generally signed up to 12 months prior to the scheduled aircraft delivery by the manufacturer. As of 30 November, 2016, approximately 79.7%, as a percentage of lease revenue, of our leases were subject to fixed lease rates.

EXPENSES

EXPENSES (USD $M)	FYE 2016	FYE 2015
Depreciation and amortisation	(362.7)	(385.5)
Gain on disposal of aircraft	15.7	44.6
Loss on transfer to held-for-sale	(19.7)	(76.9)
Loss on transfer to finance lease receivable	0.0	(3.9)
Aircraft maintenance expenses	(28.5)	(40.9)
General and administrative expenses	(88.6)	(114.8)
Total expenses	(483.8)	(577.4)

Expenses for 2016 decreased 16.2% to $483.8m (2015: $577.4m). This decrease being principally due to a lower loss on transfer to held-for-sale, lower general and administrative expenses and lower depreciation and amortisation following the sale of portfolios of aircraft.

Depreciation and amortisation decreased for 2016 to $362.7m (2015: $385.5m). This decrease was due to aircraft which were sold, and aircraft which transferred to held-for-sale and for which there was no further charge to depreciation following the transfer, partially offset by increased depreciation on freighters when the useful economic life changed to 25 years.

Gain on disposal of aircraft decreased for 2016 to $15.7m (2015: $44.6m). During 2016, we sold 59 aircraft, compared to the sale of 88 aircraft during 2015. Fluctuations in the gain or loss on disposal of aircraft are not only a function of the number of disposals, but are also dependent on the type and age of aircraft, an accounting adjustment for revenue earned from the economic closing date to the transfer of title to the buyer, as well as the prevailing market trading conditions in the underlying period.

Loss on transfer to held-for-sale decreased for 2016 to $19.7m (2015: $76.9m). This decrease was primarily due to aircraft relating to the Diamond Head Aviation transaction which were held-for-sale at the end of November 2015 pending the transfer of title to the buyer. This transfer has now occurred. Loss on transfer to held-for-sale includes an accounting adjustment for revenue earned from the economic closing date to the transfer of title to the buyer for certain aircraft.

Loss on transfer to finance lease receivable for 2016 was nil (2015: $3.9m). During 2016, no aircraft transferred to finance lease receivable compared to one during the year ended 30 November 2015.

Aircraft maintenance expenses decreased for 2016 to $28.5m (2015: $40.9m). This was due to lower repossession and surveillance costs.

General and administrative expenses were $88.6m for 2016 (2015: $114.8m). This decrease mainly related to lower compensation and benefit costs and lower legal fees.

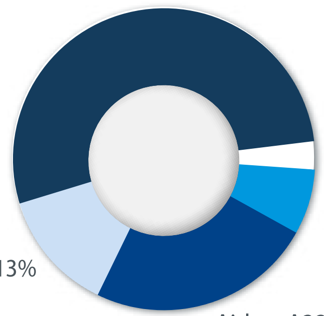
RESULTS FROM OPERATING ACTIVITIES

Results from operating activities before impairment decreased to $472.6m for 2016 (2015: $636.6m) due to items noted above.

IMPAIRMENT

For 2016 we recorded a non-cash impairment charge of $177.7m (2015: $36.7m). The recoverable amount was determined on the basis of value in use and management judgement. The impairment charge was taken primarily on wide-body freighter aircraft, mid-life A320 family of aircraft, A330s and 767s, where expected increases in the future availability of certain aircraft types and reduced lease rates due to the planned entry into service of more fuel efficient technologically advanced aircraft, have had an impact on current values. These effects taken together indicate that at 30 November, 2016 the carrying value of certain aircraft may not be recoverable. Management also determined that the remaining freighters in the fleet needed to be further impaired. The average age of the aircraft impaired during 2016 was 11 years.

Asset impairment charge FYE 2016



FINANCE COSTS

Internal interest on shareholder loans

Internal interest on shareholder loans decreased to $197.8m 2016 (2015: $258.1m). Internal interest on shareholder loans in 2016 included a charge of $196.7m (2015: $249.8m) relating to the acceleration of interest as a result of the repayment of shareholder loans. The repayment amount being the total imputed interest recognised on these loans in the statement of profit or loss and other comprehensive income was reclassified from Additional Paid in Capital to Profit and Loss Reserves resulting in no net impact on equity over the life of these loans.

Finance Costs

Finance costs decreased to $218.7m for 2016 (2015: $351.3m). This decrease was due to lower interest charged on lower loan balances and lower costs associated with the sale of portfolios of aircraft which included $6.3m relating to early repayment fees on the loans associated with this sale during 2016 compared to $38.3m relating to acceleration of financing fee amortisation and $21.9m early repayment fees on the loans associated with this sale in the same period in the prior year.

Profit

(Loss)/profit after tax for 2016 was a loss of $112.7m (2015: profit of $4.3m) mainly due to reasons outlined above. In 2016, we recorded a tax benefit of $8.9m (2015: tax benefit of $13.8m).

Statement of Financial Position and Cash Flows

CONSOLIDATED BALANCE SHEET DATA (USD $M)	30-NOV-16	30-NOV-15
Total cash and cash resources	386.0	695.1
Property, plant and equipment (excluding HFS)	7,428.2	7,383.0
Total assets held-for-sale	83.5	1,100.6
Total assets	**8,284.0**	**9,521.4**
Total equity	1,894.1	2,506.3
Total loans and borrowings	5,214.8	5,717.9
Total equity and liabilities	**8,284.0**	**9,521.4**

Simon Glass
Chief Financial Officer

Statement of Financial Position and Cash Flows

Total assets decreased to $8,284.0m as at 30 November, 2016 (2015: $9,521.4m). This decrease was due primarily to the sale of 59 aircraft during the year and the repayment of monies to our shareholders.

For the year ended 30 November, 2016, cash flows from operating activities increased to $1,059.2m (2015: $824.9m). For the year ended 30 November, 2016, net cash from investing activities decreased to $134.2m, (2015: $2,178.8m). This decrease was due to lower net proceeds from sale of aircraft during 2016 compared to 2015. Cash flow used in financing activities for the year ended 30 November, 2016 was a net cash outflow of $1,468.8m (2015: $2,769.1m). This was due primarily to lower repayment of financings on aircraft sold and lower borrowings during 2016 compared to 2015.

Our total cash and cash resources, at 30 November, 2016 of $386.0m (2015: $695.1m), this includes restricted cash of $140.3m and short term investments of $56.7m, of which all are restricted.

Liquidity and Capital Resources

Historically, we have financed our operations through a mixture of equity and debt, comprising of lines of credit and loan facilities. Our third-party indebtedness decreased to $5,214.8m in 2016 from (2015: $5,717.9m).

The total share capital in AWAS as at 30 November, 2016 was $1,723.2m. During 2016, AWAS repaid the remaining Carmel Capital loans totalling $232.9m. The difference between the amounts repaid and loan associated balances are included as accelerated interest in finance expenses totalling $196.7m. Our total equity decreased to $1,894.1m as at 30 November, 2016 (2015: $2,506.3m) due mainly to the payment of $735.0m to our shareholders. Our Debt to Equity ratio was 2.8:1 times as at 30 November, 2016 (2015: 2.3:1 times).

Risk Management

The principal risks facing the business are set out in note 26 of the consolidated financial statements.

Signed

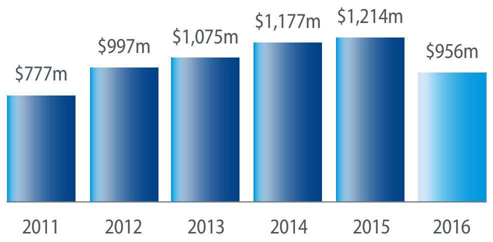
/s/ S. Glass

Simon Glass

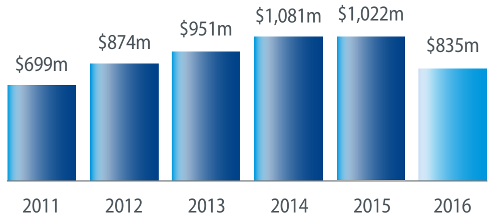
Chief Financial Officer

April 2017

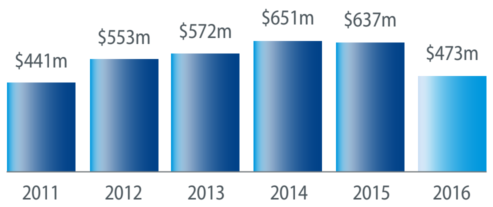
TOTAL REVENUE (USD M)



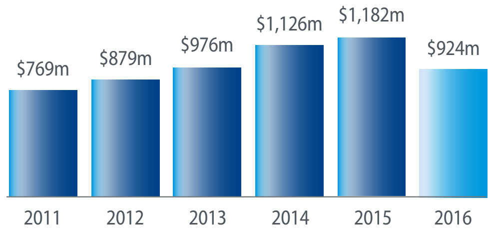
ADJUSTED EBITDA1 (USD M)



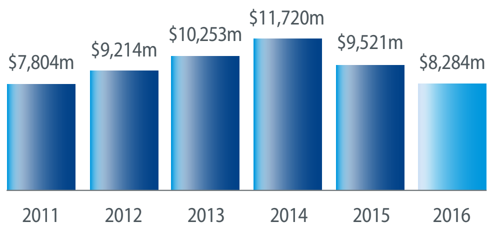
RESULTS FROM OPERATING ACTIVITIES BEFORE IMPAIRMENT (USD M)



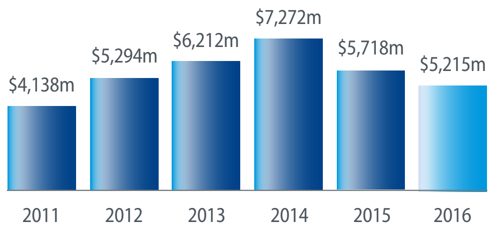
LEASE REVENUE (USD m)



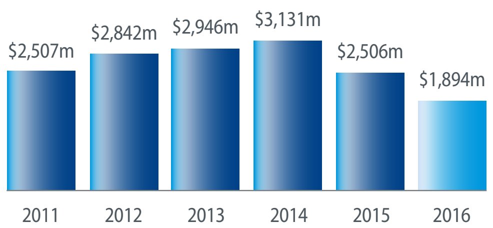
TOTAL ASSETS (USD M)



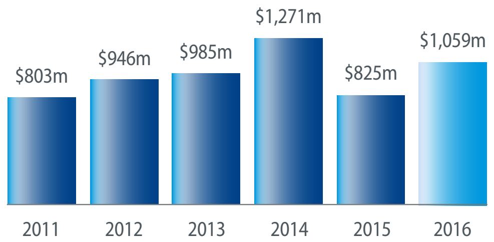
MEDIUM AND LONG-TERM DEBT (USD M)



TOTAL EQUITY (USD M)



OPERATING CASH FLOW (USD M)



[1]Adjusted EBITDA = Profit/(loss) from operations before provision for tax expense, net finance costs, depreciation and amortisation and asset impairment.

Note: 2016 results – results for the year ended 30 November, 2016.

Corporate Social Responsibility

AWAS employees in all our office locations are proactive in their support of corporate social responsibility initiatives and continued their support of a number of worthy local and global causes in 2016. A selection of causes supported by AWAS are profiled below.

SUPPORTING CHILDREN AND FAMILIES AFFECTED BY NEUROLOGICAL DISORDERS

AWAS continued to support the "Jack & Jill" Children's Foundation in 2016. This foundation provides nursing care and support for children in Ireland with severe neurological development issues, as well as providing the Gift of Time in the form of home respite to the parents and families. They also provide non-oncology end-of-life care to babies and children up to age four. During the year, Jack and Jill came into AWAS to talk to AWAS staff and the CSR team about the charity' work. AWAS employees raised money for Jack and Jill though a number of fund raising events during 2016, all of which were matched by AWAS. AWAS staff in Dublin also elected to support this worthy charity for the next three years. In total AWAS donated over €36k to the Jack & Jill Foundation in 2016.

PENTATHLON IRELAND (PI)

AWAS was very proud to launch a new initiative with our partner, Pentathlon Ireland ("PI"), during 2016. It was with the aid of AWAS' initial 'seed' sponsorship through 2013 and 2014 that PI was able to set up its first office at the Irish National Sports Campus, and put in place the governance and control structures upon which to build the organisation into the future. PI has made some significant strides forward since, and with the additional support of Sport Ireland, delivered two top 10 finishes at the Rio Olympic Games, making it one of the country's most successful Olympic sports.

With a successful high performance programme now fully established and its Olympic athletes 'inspiring from the top down', PI has now shifted its focus to grass roots development – bringing the sport to the community, and 'building from the bottom up'. AWAS, through the CSR programme, was delighted to agree a new, three-year partnership with PI in September 2016, focusing specifically on youth development though sport, in underprivileged schools and communities. With the support of AWAS, PI have since launched a new DEIS (Delivering Equal Opportunities in Schools) fencing programme in early 2017, employing a fencing coach to run the programme, in partnership with Fencing Ireland. At the time of writing, this initiative has been rolled out in three separate schools, and is now mid-way through a programme of over 500 individual engagement opportunities for children in the local communities of North and West Dublin. While continuing to grow this programme, PI are also developing plans for a schools 'Laser run-for-fun' programme, a fun filled run/shoot combined event, adopted from the final discipline in a full Modern Pentathlon competition. PI expects to launch this programme in DEIS schools and with disadvantaged youth groups of Dublin's North East Inner City, in the second half of 2017.

AWAS is delighted to support the continued development of PI, and is particularly proud to be the founding sponsor of these new programmes, supporting youth development in the underprivileged communities of our country, though the wonderful medium of sport.

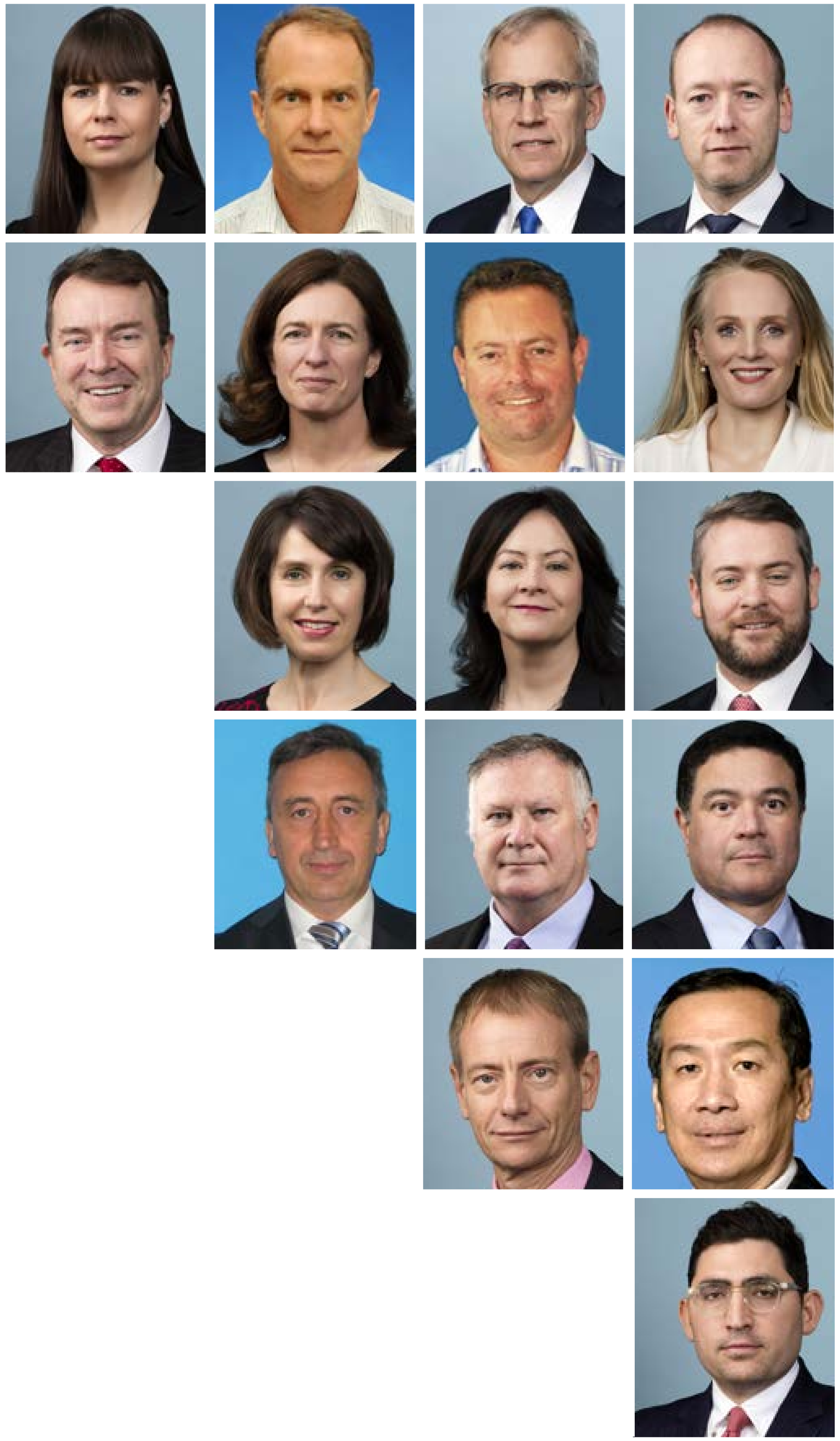
Blakestown Community School, Dublin 15 at the Irish National Sports Campus.

SUPPORTING LOCAL CHARITIES

During 2016, AWAS staff assisted a number of local charities in their area. The staff in the Miami office supported a charity; The Learning Experience. The New York office donated to the Dystonia Foundation, whilst in the Singapore office funding was provided to the Children's Cancer Foundation. The Singapore office supported Tropical Cyclone Winston.

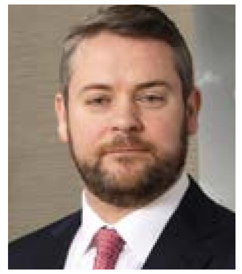
AWAS also continued supporting Orbis Ireland to raise funds for its primary project of preventing and curing avoidable blindness in Ethiopia. It focuses on eliminating trachoma in the poorest and worst affected regions of southern Ethiopia.

Some of the AWAS team



ANNUAL REPORT AND FINANCIAL STATEMENTS 2016
AWAS Aviation Capital Designated Activity Company

Environmental Responsibility



Karl Griffin,
Chief Operations Officer

AWAS continuing commitment to environmental responsibility is demonstrated across the business' activities. We invest in aircraft such as 787s and 737 with technologically advanced design features, which have demonstrated improved fleet fuel efficiency and reduce harmful emissions. When we consider engine, aircraft and component maintenance across the portfolio we contract with suppliers such that transportation requirements, fuel usage and therefore emissions are minimised.

AWAS demonstrates commitment to environmental responsibility in all office locations. AWAS recycles a range of waste items and each office location looks at water-efficiency measures and also at ways to reduce electricity and fuel consumption. Our employees are encouraged to use public transportation with tax saver commuter tickets available to all in the Dublin office, along with a recent successful scheme which was aimed at encouraging employees to leave the car at home and walk more by providing step counter watches to all. All offices actively promote the Bike to Work scheme whereby the bike is purchased by AWAS and the employee pays the cost back to the company. This is a tax-efficient scheme which benefits the employer, the employees and the environment. The Miami office building is LEED certified (Leadership in Energy & Environmental Design) which is a green building certification programme that recognises best-in-class building strategies and practices. It is also a 2012 Energy Star National building.

AIRCRAFT RECYCLING

AWAS has adopted a comprehensive and responsible end-of-life strategy for all its aircraft.

We work directly with our customers and industry partners to recycle end-of-life aircraft to reduce waste while maximising the remaining value of the airframe components and engines. All part out activity is performed by organisations operating in accordance with Environmental Protection requirements. Engines, landing gear and auxiliary power units from disassembled aircraft are, where possible, put to use elsewhere within the AWAS fleet to avoid unnecessary maintenance. Alternatively, engines are disassembled and the parts sold to third parties through consignment partners. The components of disassembled airframes are sold on a consignment basis. The various metals from the remaining fuselage are recycled for future use. While AWAS has not parted out any additional aircraft in 2016 we continue to recycle our inventory to support our in-service fleet. This practice and our approach to sourcing parts and services as close to the maintenance facility as possible provides both environmental benefits at the same time as economic benefit to AWAS.

AWAS People

Susan Bradford
Vice President
Human Resources

At AWAS we value our people. We continue to develop our employees through career, training and overall development opportunities.

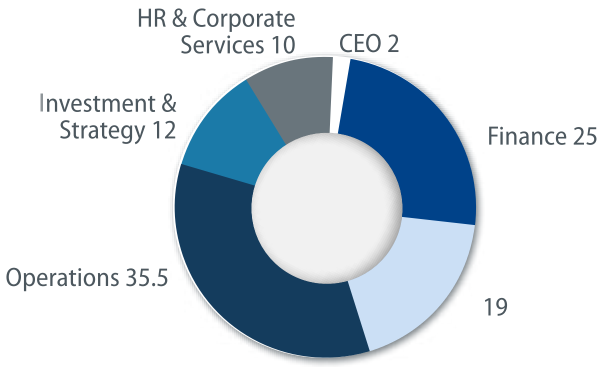
In 2016, 25% of the business have received career development opportunities. We have had 16 internal moves and promotions and made 8 temporary employees permanent. In addition, it is a priority to develop employees in their current roles. AWAS financially supports further education. 16% of employees are currently undertaking third level educational courses, while all employees benefit from varied training opportunities.

At AWAS our employees' health and wellbeing is of the utmost importance. We provide excellent medical and dental plans, gym memberships, flu vaccinations and employee assistance programmes. In addition, in October 2016 we ran a wellbeing week. During this week, we ran health screenings, dental clinics, talks on nutrition and work life balance as well as running a fun pedometer challenge!

AWAS is rewarded for its work on development and wellbeing by long-serving and committed employees. The average tenure in AWAS is over 6 years.

AWAS had 103.5 permanent persons in employment at the end of November 2016. AWAS embraces diversity and the split of staff is currently 61% male and 39% female. AWAS have 10 females in senior management positions out of a total of 34. At the end of November 2016, all members of the board were male.

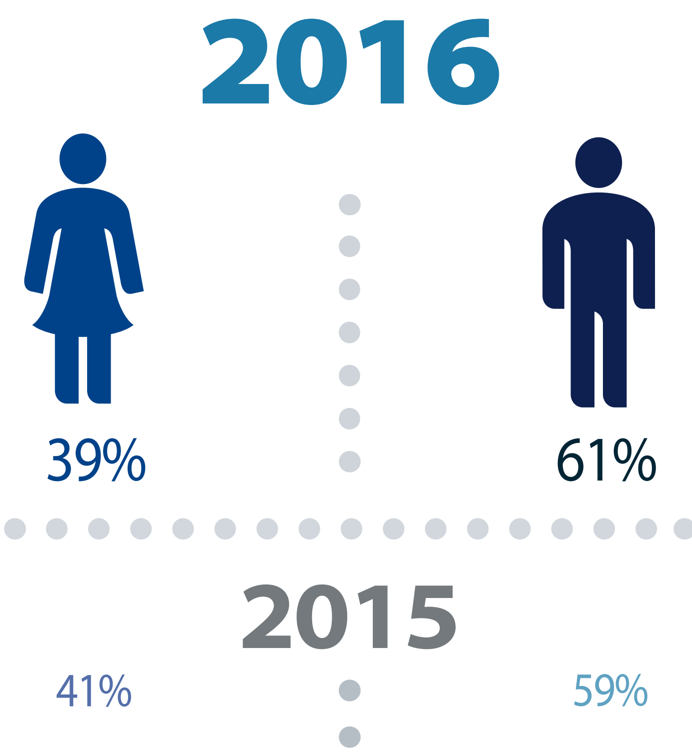
HEADCOUNT PER DEPARTMENT 30 NOVEMBER 2016



Persons employed by department

PERSONS BY OFFICE LOCATION AT 30TH NOVEMBER 2016	
Dublin	79.5
Miami	9
New York	6
Singapore	9
TOTAL	103.5

DIVERSITY



Jennifer Creevey and Eveleen Drohan

Board Governance and Committees

The Board of Directors of AWAS Aviation Capital DAC, the holding company of the AWAS Group, meets in Dublin approximately every other month. The Board of Directors is chaired by Mr. Andrew Miller and the remaining directors were: Mr. Robin Boehringer, Mr. Marlin Dailey, Mr. Andrew Géczy, Mr. Simon Glass, Mr. Hafiz Lalani and Mr. David Siegel. A quorum for meetings of the Board of Directors is two directors.

DIRECTORS' PROFILES

Mr. Andrew Miller (British)
Appointed October 2016
Non-executive Director

Mr Miller is an operating partner with Terra Firma Capital Partners. He joined Terra Firma in 2016 and serves on the board of their investments in CPC and Welcome Hotels. Prior to joining Terra Firma Mr. Miller held a variety of roles including CEO of Guardian Media Group and CFO at Autotrader. Mr. Miller is also a non-executive director and chair of audit at the AA PLC, is a trustee of the Benjamin Franklin House Museum and is on the advisory board of Theirworld charity.

Mr. Andrew Géczy (Australian)
Appointed October 2016
Non-executive Director

Mr Géczy is the Chief Executive Officer of Terra Firma and a member of its Executive Committee. Mr. Géczy has over 20 years' experience in management roles across a number of financial organisations. He joined Terra Firma from Australia & New Zealand Banking Group (ANZ), where he was Group Executive Committee member and CEO of International and Institutional Banking.

He was previously Group Executive Director and CEO of Wholesale Banking & Markets at Lloyds Banking Group, and before that he founded and ran an investment advisory boutique and asset manager. Prior to 2005, he spent 14 years at Citigroup in a variety of roles, most notably Global Head of Structured Corporate Finance. Mr. Géczy started his career in accounting with Price Waterhouse and KPMG having completed a Master of Science at the University of Virginia. He is a founder and Chairman of the International Medical Corp – UK which delivers lifesaving health care in emergencies for people affected by disaster or conflict.

Mr. Robin Boehringer (German)
Appointed October 2013
Non-executive Director

Mr. Boehringer is a Director with Terra Firma Capital Partners. He has been with Terra Firma since 2009 focusing mainly on Terra Firma's portfolio businesses in Germany, Tank & Rast and Deutsche Annington. Most recently, Mr. Boehringer was involved in the IPO and final exit transaction of Deutsche Annington and the refinancing of Tank & Rast. Mr. Boehringer has a Master's degree in Financial Economics from Oxford University. Prior to joining Terra Firma, he worked for Credit Suisse in M&A.

Mr. Hafiz Lalani (Canadian)
Appointed February 2011
Non-executive Director

Mr. Lalani is a Senior Principal within the Direct Private Equity Group at CPPIB and is based in London. Prior to joining CPPIB in February 2006, Mr. Lalani worked in the Technology, Media & Telecom investment banking group at CIBC World Markets in Toronto where he was involved in the analysis and execution of capital markets and M&A transactions across Canada.

Mr. David Siegel (US)
Appointed April 2016
Executive Director

Mr. Siegel brings over 30 years of relevant experience to AWAS, including most recently as Chief Executive Officer at Frontier Airlines Inc. Prior to Frontier, Mr. Siegel held a number of senior positions within the global aviation industry including CEO of US Airways, and senior roles in Continental Airlines and Northwest Airlines. Mr. Siegel has also held senior positions in other sectors, serving as Chairman CEO of Avis Budget Group and Chairman CEO of global aviation caterer gategroup AG.

Mr. Siegel holds an M.B.A. from Harvard Business School, and a B.Sc. in Applied Mathematics-Economics from Brown University.

Mr. Simon Glass (British)
Appointed February 2011
Executive Director

Mr. Glass is the Chief Financial Officer of the AWAS Group. Mr. Glass has over 25 years' international business experience in banking and financial services. Before joining AWAS, Mr. Glass was Deputy Group Finance Director of the Royal Bank of Scotland Group PLC. Prior to that Mr. Glass held a number of senior finance positions in the global banking industry.

Mr. Marlin Dailey (US)
Appointed April 2013
Executive Director

Mr Dailey is the Chief Commercial Officer of the AWAS Group. Mr Dailey joined AWAS from The Boeing Company where he held a variety of executive leadership roles spanning a 32-year career. Prior to joining AWAS, he was President, Boeing Germany, Northern Europe, EU & Africa, where he was responsible for developing and implementing the company's country, EU and regional strategies and leading new business development and industrial partnership opportunities. Prior to this position, Mr. Dailey was the Executive Vice President Sales and Marketing of Boeing Commercial Airplanes where he led global sales and marketing efforts with direct organisational responsibility for almost 500 professionals. Mr. Dailey was with Boeing Commercial Airplanes Sales since 1991 after beginning his career with Boeing in 1979 as an aerodynamics engineer. He has a Bachelor of Science degree in aerospace engineering from the University of Kansas and is a fellow of the Royal Aeronautical Society.

COMMITTEES OF AWAS AVIATION CAPITAL LIMITED

The Board has established an Audit Committee, a Finance Committee and a Nomination and Remuneration Committee.

Current Members	Board	Audit	Finance	Nomination & Remuneration
Andrew Miller*	✓	✓	✓	✓
Robin Boehringer*	✓	✓	✓	✓
Marlin Dailey	✓			
Andrew Géczy*	✓	✓	✓	✓
Simon Glass	✓			
Hafiz Lalani**	✓	✓	✓	✓
David Siegel	✓		✓	✓
David Chambers**	Alternate Director to Mr. Lalani			
Richard Hands*	Alternate Director to Mr. Boehringer			

*Employed by Terra Firma Capital Partners Limited ** Employed by CPPIB.

- On 13 April, 2016, Mr. David Siegel was appointed to the Board of Directors, Finance Committee and Nomination and Remuneration Committee.
- On 7 October, 2016 Dr. Werner G. Seifert resigned as Chairman and Director of the Board of Directors, as chairman and member of the Finance Committee, as a member of the Audit Committee and as a member of the Nomination and Remuneration Committee.
- On 7 October, 2016 Mr. Andrew Miller was appointed to the Board of Directors.
- On 11 October, 2016 Mr. Andrew Miller was elected as Chairman of the Board of Directors and the Nomination and Remuneration Committee.
- On 11 October, 2016 Mr. Andrew Miller was appointed to the Audit Committee and the Finance Committee.
- On 11 October, 2016 Mr. Andrew Géczy was appointed to the Board of Directors, as a member of the Audit Committee and the Nomination and Remuneration Committee and elected as Chairman and a member of the Finance Committee.
- On 11 October, 2016 Mr. Steven Webber resigned as a director of the company.
- On 11 October, 2016 Mr. Justin King resigned as a director of the company.
- On 31 October, 2016 Mr. Michael Kinski resigned as a director of the company.
- On 30 November, 2016 Mr. Daniel Bunyan resigned as a director of the company.

Attendance at the Board meetings of AWAS is shown below:

Director attendance at meetings:	Board	Audit	Finance	Nomination & Remuneration
Maximum number of meetings	6	6	6	8
Robin Boehringer	6	6	6	7
Daniel Bunyan (Resigned on 30 November 2016)	6	-	-	-
Marlin Dailey	6	-	-	-
Andrew Géczy (Appointed on 11 October 2016)	0	0	0	0
Simon Glass	6	-	-	-
Justin King* (Resigned on 11 October 2016)	0	0	0	2
Michael Kinski* (Resigned 31 October 2016)	6	6	6	6
Hafiz Lalani	5	5	5	4
Andrew Miller (Appointed on 7 October 2016)	1	1	1	1
David Siegel (Appointed on 13 April 2016)	4	-	4	4
Werner Seifert (Resigned on 7 October 2016)	5	5	5	6
Steven Webber (Resigned 11 October 2016)	1	1	1	3

*Denotes that the Director was either appointed or resigned during the year and was not eligible to attend all meetings.

Note that the table above does not include attendance at sub-committee meetings.


Simon Glass and Robin Boehringer

AUDIT COMMITTEE

The Audit Committee may have up to four members. The Audit Committee is elected by the Board. It is currently chaired by Mr. Boehringer, the other members are Mr. Géczy, Mr. Miller and, Mr. Lalani. The Audit Committee meets as often as its members deem necessary, but in any event no less than twice a year, and a quorum is two members. It is responsible for ensuring that the internal and external audit processes are carried out in the best interests of the Company's shareholders, creditors, employees and customers.

The Audit Committee has the unrestricted right to obtain information for this purpose from any source within the Group. It reports to the Board, which retains full responsibility for the oversight of the Company's (unconsolidated and consolidated) financial statements and of the Group's financial reporting requirements and obligations. The specific duties and responsibilities of the Audit Committee include:

> to make decisions on behalf of the Board regarding the appointment of the external auditor of the Company and any questions of its resignation or dismissal and to make decisions on behalf of the Board regarding the amount of fees paid to the Company's auditor;

> to discuss with the Company's and the Group's external auditors before the audit commences, the nature and scope of the audit, to review the audit plan and to ensure co-ordination where more than one audit firm is involved;

> to review with the Company's and the Group's external auditors, the interim (if any) and annual financial statements of the Company and the Group before submission to the Board, focusing particularly on
- any changes in accounting policies and practices or major judgement areas;
- significant adjustments resulting from the audit (at year-end only);
- the going concern assumption;
- compliance with accounting standards; and
- compliance with legal requirements

> to discuss with the Company's and the Group's external auditors any problems or reservations arising from the interim review and final audit and any other matters the external auditors may wish to discuss;

> to review the Company's and the Group's external auditors' management letters, if any, and the Management's response;

> to recommend to the Board appropriate policies of internal control;

> to advise the Board on the implementation of policies on risk and control and to ensure that a suitable system of internal control for the implementation of such policies is formulated, operated and monitored;

> to review the effectiveness of internal control policies and to seek regular assurance from management that will enable the Audit Committee to satisfy itself that the system is functioning effectively in managing risks in the manner which it has approved and to report its findings to the Board;

> to decide on the implementation of the Group's internal audit programme and, in such case, to ensure co-ordination between the internal and external auditors and ensure that the internal audit function is adequately resourced and has appropriate authority and standing within the Company and the Group;

> to consider the major findings of the internal and external audit and the Management's response and to take all necessary steps to clarify all matters it deems appropriate to submit to the Board;

> to submit to the Board any recommendations with respect to internal controls and to make recommendations with respect to the Company's financial statements (audited and unaudited) if necessary;

> to submit to the Finance Committee its recommendations on the management of foreign exchange, interest rate, credit and other financial risks if deemed necessary;

> to review compliance with tax legislation and to consider actual or potential tax liabilities of the Group and to review tax planning for the Group; and

> to appoint outside advisers as it deems necessary.

Marlin Dailey – Chief Commercial Officer

David Siegel – Chief Executive Officer

Nomination and Remuneration Committee

The Nomination and Remuneration Committee may comprise up to six members, a quorum is two members. The Chairman of the Nomination and Remuneration Committee is Mr. Miller and the other members are and Mr. Boehringer, Mr. Gézcy, Mr. Lalani and Mr. Siegel. The Nomination and Remuneration Committee may meet as often as its members deem necessary but in any event, at least once a year. The Nomination and Remuneration Committee is responsible for recommending to the Board the appointment of Committee members, and for administering any incentive plans within the AWAS group of companies. It is also responsible for ensuring that Directors and Management are fairly rewarded for their contributions to the Group's performance, and that individuals are not directly involved either in fixing or approving their own remuneration, thereby ensuring that due regard is given to the ultimate interests of the shareholders and the financial interests of the Company. The specific duties and responsibilities of the Nomination and Remuneration Committee include:

> to establish criteria to be used in selecting Directors. Such criteria may be established in consultation with the entire Board, with the CEO or other members of Management;

> to authorise, as and when requested to do so by the Board, searches for the selection of Management and Directors and to engage the services of executive search firms or consultants to assist in this process;

> to approve the remuneration of the executive Directors and of Management and any adjustments to such remuneration. The remuneration packages are to commence with a base salary and may also, at the discretion of the Board, include a performance-related element;

> to elaborate incentive and remuneration plans to be applied within the Group;

> to advise the Board on and monitor a suitable performance-related formula for the Group overall. The goal of such a formula should be to create rewards that are justifiable in terms of the Group's own performance and the corresponding returns on the shareholders' investment over the same period;

> to provide an objective and independent assessment of any benefits granted to Directors; and

> to ensure that the pension arrangements throughout the Group are appropriate, well supervised and conform to applicable law.

Finance Committee

The Finance Committee may comprise up to six directors, and a quorum is two members. Mr. Géczy chairs the Finance Committee and the other members are Mr. Boehringer, Mr. Miller, Mr. Lalani and Mr. Siegel. The Finance Committee may meet as often as its members deem necessary. The powers of the Finance Committee include the establishment of a Group financial strategy and the general guidelines and policies for implementing the strategy. This includes:

> financial and investment policy, including the capital structure of Group companies and the payment of dividends;

> the management of foreign exchange, interest rate, liquidity and other financial risk;

> the management of credit risk and implementation of credit policies (where appropriate);

> participation and acquisition/divestiture policy, including the acquisition and sale of individual participations of strategic importance;
> communication policy regarding the financial press, the financial community and shareholders;
> acquisition and divestiture of material corporate premises, whether of a purchase, lease, or other contractual nature; and
> submitting recommendations on matters to be decided or approved by the Board (generally on the basis of proposals to the Finance Committee by the CEO and/or the Management, as the case may be).

In addition, the Finance Committee is specifically charged with deciding the following matters, based on proposals by the CEO and/or Management:

> raising of external financing by the Company and/ or the issuance of guarantees by the Company in amounts above the limits delegated to Management;approval of investments or divestments within the Group, insofar as they reflect a capital commitment or sales proceeds in excess of certain delegated amounts;
> granting of securities, guarantees and indemnities (or any other form of contingent commitment) by the Company on behalf of third parties outside the ordinary course of business; and
> approval of certain investments or divestments within the Group.

The Finance Committee is also charged with reviewing, in conjunction with the Audit Committee, tax planning for the Group. Any matter decided by the Finance Committee within the limits of authority delegated to it generally does not require ratification by the full Board. However, the Finance Committee may seek ratification from the full Board of any decision taken by it, if the Finance Committee determines that such ratification is desirable or appropriate in the circumstances.

AWAS Compliance Programme

AWAS maintains a robust compliance programme designed to promote:

> honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
> fair and accurate reporting of financial information in accordance with applicable requirements;
> compliance with applicable laws, rules and regulations that affect AWAS as an aircraft owner, trader and lessor and as a global employer;
> the safeguarding of corporate assets and the proper use of proprietary and confidential information;
> the prompt internal reporting of violations of legal or regulatory requirements or other AWAS policies regarding ethical conduct; and
> accountability for adherence to these principles.

It is AWAS' policy to comply (and to require compliance by its employees) with all applicable laws and regulations (including applicable anti-bribery, antitrust and anti-money laundering laws). As an employer, AWAS is also committed to opposing and eliminating unlawful discrimination, retaliation and victimisation in the workplace. Violation of these policies can subject an employee to disciplinary action, up to and including termination of employment.

In furtherance of these principles, AWAS maintains a Code of Conduct which is made available to all employees on AWAS' intranet portal. In addition, each employee is provided with a copy of the Code of Conduct at the commencement of employment and is asked to certify familiarity with, and agreement to, its terms as a condition of employment. Each employee is required to undertake annual Code of Conduct online training and to certify compliance with the Code annually. AWAS upholds individual human rights in all of our operations and we expect the same from our business partners. AWAS provides reasonable working hours and fair wages for those who work on our behalf. AWAS also has a zero-tolerance policy for the use of child or forced labour, or human trafficking practices.

AWAS provides training to its employees in areas that present particular risk to the Company. Each employee is required to undertake annual online training in respect of compliance with the Irish Prevention of Corruption Acts (1889-2010), the UK Bribery Act 2010, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the United States Foreign Corrupt Practices Act. AWAS also provides regular training to its employees regarding on anti-money laundering laws and various other applicable laws involving export controls and boycotts.

The Code of Conduct requires employees to report to their manager, a Human Resources representative or the Associate General Counsel any conduct of which they become aware that may violate the Code of Conduct or applicable law, and employees are protected from retaliation by AWAS resulting from good faith reporting of these possible violations. AWAS also provides a channel of anonymous reporting.

AWAS has implemented a Directors' Compliance Statement Policy to ensure compliance with the Irish Compliance Act 2014.

Shareholder Oversight

AWAS is owned by Carmel Capital SARL, which is owned by investment funds managed by Terra Firma Investments (GP) 2 Limited and Terra Firma Investments (GP) 3 Limited, and by CPP Investments Board Private Holdings Inc ("CPPIB"). AWAS considers Terra Firma Holdings Limited, a Guernsey registered company, to be the ultimate parent company and Mr Guy Hands to be the ultimate controlling party.

Terra Firma and CPPIB receive weekly reports that contain current information typically provided to a shareholder and have regular and substantial informal contact with AWAS management. Neither Terra Firma nor CPPIB act as guarantor with respect to any of the Company's obligations and all corporate decisions affecting the Group are made by the Company and, where appropriate, the Board or governing body of the relevant Group affiliate.

Since the acquisition of AWAS, our shareholders have invested over $2.7bn in AWAS. During 2016 AWAS paid over $735m to our shareholders through the payment of a dividend and repayment of shareholder loans. In total, AWAS have returned $1.64 billion returned to our shareholders since 2015.

AWAS adheres to the Walker Guidelines for disclosure and transparency.

Chris Monks, Peter O'Reilly and Brendan O'Neill

Financial Statements

Contents

Directors and other information

Directors

Robin Boehringer – *German citizen (UK resident)*
Marlin Dailey – *US citizen (Irish resident)*
Andrew Géczy – *US citizen (Australian resident)*
Simon Glass – *UK citizen (Irish resident)*
Hafiz Lalani – *Canadian citizen (UK resident)*
Andrew Miller – *UK citizen (UK resident)*
David Siegel – *US citizen (Irish resident)*

Registered office

70 Sir John Rogerson's Quay
Dublin 2, Ireland

Secretary

Matsack Trust Limited
c/o Matheson
70 Sir John Rogerson's Quay
Dublin 2, Ireland

Independent auditor

KPMG
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1, Ireland

Principal bankers

Citibank N.A. New York
21st Floor Zone 1
111 Wall Street
New York, NY 10043
United States of America

Solicitors

Matheson
70 Sir John Rogerson's Quay
Dublin 2, Ireland

Directors' report

The Directors present their annual report together with the audited consolidated financial statements of AWAS Aviation Capital Designated Activity Company (the "Company", "AACDAC") and its subsidiaries (together and hereinafter "the Group") for the year ended 30 November 2016. During the year ended 30 November 2016 the Company converted to a Designated Activity Company ("DAC") pursuant to statutory requirements set down in Companies Act 2014.

Principal activities, business review and future developments

The Group's primary business is the leasing of commercial aircraft.

During the year the Group maintained its position as a leader in the aircraft leasing industry. The operational highlights of the year are summarised below:

Purchases – the Group purchased 16 aircraft during the year (2015: 31).

Sales – the Group disposed of 59 aircraft during the year (2015: 88) which includes 13 aircraft sold to Macquarie Airfinance Limited ("Macquarie") and 28 aircraft sold to Diamond Head Aviation 2015 Limited.

Leasing – the Group completed 52 new leasing transactions during the year with 33 customers. The total number of aircraft at 30 November 2016 was 214 including six aircraft classified as held-for-sale (2015: 257 including 50 aircraft held-for-sale).

The Group agreed to sell a portfolio of aircraft to Macquarie on 3 March 2015 over a period of 12 months subject to customary closing conditions. As at 30 November 2016, 84 aircraft had been sold to Macquarie and the three aircraft not sold had been transferred back to property, plant and equipment.

In July 2015 the Group agreed to sell a portfolio of aircraft to Diamond Head Aviation 2015 Limited. As at 30 November 2016, 29 aircraft had been sold to Diamond Head Aviation 2015 Limited and one aircraft not sold was transferred back to property, plant and equipment.

The Group closed USD 1,330.3 million worth of financings for aircraft during the year.

The Group has 23 aircraft on forward order due to deliver from 1 December 2016 to financial year 2019. The Group also has commitments to purchase one aircraft from an airline, which is due to deliver during the year ended 30 November 2017.

The Directors will continue to evaluate new opportunities for the Group during 2017.

Subsidiaries

Details of the activities carried out by subsidiary undertakings together with the information required by Section 314 of the Companies Act 2014 are set out in note 24 to these financial statements.

Principal risks and uncertainties

Any of the following risks could adversely affect the financial performance, position and / or growth potential of the Group. The Directors have overseen Management putting in place systems and controls designed to mitigate these risks to a level that is considered appropriate for the Group.

Geopolitical and economic risks

As a global business, the Group leases aircraft to customers in many jurisdictions exposing it to many and varying economic, social, legal and political risks. Exposure to multiple jurisdictions may adversely affect the Group's future performance, position and growth potential. The adequacy and timeliness of Management's response to risks in these jurisdictions are of critical importance to the mitigation of this risk.

Principal risks and uncertainties (continued)

Exposure to the commercial airline industry

As a supplier to and partner of the airline industry, the Group is exposed to the financial condition of the airline industry as it leases all of its aircraft to commercial airline customers. The financial condition of the airline industry is affected by, among other things, geopolitical events, outbreaks of communicable pandemic diseases and natural disasters, fuel costs and the demand for air travel. To the extent that any of these factors adversely affect the airline industry they may result in (i) downward pressure on lease rates and aircraft values, (ii) higher incidences of lessee defaults, restructuring, and repossessions and (iii) inability to lease aircraft on commercially acceptable terms.

Risks relating to the leasing of aircraft

In order to continue to generate profits and cash flows, the Group as an owner and lessor of aircraft must address risks associated with (i) the releasing of aircraft subject to market and competitive conditions at lease end dates, (ii) the maintaining of aircraft and funding of maintenance activities, (iii) government and environment regulations relating to aircraft and their operation, (iv) ongoing risks relating to financing and ownership of aircraft. Improper management of any of these risks could adversely affect the financial performance, position and growth potential of the Group.

The principal risks and uncertainties, to which the Group is exposed, including the associated hedging activities, are addressed in note 26 to these financial statements. These include:

- Asset risk;
- Foreign exchange risk;
- Interest rate risk;
- Credit risk; and
- Liquidity risk.

Results and dividends

The results for the year ended 30 November 2016 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 50 and in the Consolidated Statement of Changes in Equity on page 55 and the Company Statement of Changes in Equity on page 56.

Results from Operating Activities, before Impairment of USD 177.7 million (2015: USD 36.7 million), were USD 472.6 million for the year ended 30 November 2016 (2015: USD 636.6 million). During the year ended 30 November 2016, there was a decrease in revenue partially offset by a lower loss on transfer to held-for-sale, lower general and administrative expenses and lower depreciation and amortisation, principally reflecting the sale of aircraft to third parties during the past 12 months.

During the year ended 30 November 2016 the Group returned to its shareholder USD 735.0 million (2015: USD 912.3 million) through a combination of the payment of dividends of USD 502.1 million (2015: USD 631.4 million) and repayment of shareholder loans of USD 232.9 million (2015: USD 280.9 million).

The Directors approved interim dividend payments of USD 302.1 million and USD 200.0 million on 9 March 2016 and 11 October 2016 respectively (2015: USD 631.4 million). The Directors do not recommend payment of a final dividend (2015: USD Nil).

Profit for the year decreased to a loss of USD 112.7 million for the year ended 30 November 2016 (2015: Profit of USD 4.3 million).

Total cash and cash resources as at 30 November 2016 were USD 386.0 million (2015: USD 695.1 million).

Total assets as at 30 November 2016 were USD 8,284.0 million (2015: USD 9,521.4 million).

Directors, secretary and their interests

In accordance with the Articles of Association, the Directors are not required to retire by rotation.

On 18 February 2016 Justin King was appointed as a Director of the Company.

On 13 April 2016 David Siegel was appointed as a Director of the Company.

On 7 October 2016 Werner Seifert resigned as a Director of the Company and Andrew Miller was appointed as a Director of the Company.

On 11 October 2016 Steven Webber and Justin King resigned as Directors of the Company and Andrew Géczy was appointed as a Director of the Company.

On 31 October 2016 Michael Kinski resigned as a Director of the Company.

On 30 November 2016 Daniel Bunyan resigned as a Director of the Company.

The Directors and secretary who held office at 30 November 2016 had no interests in the share capital of the Company or any Group company at any time during the year.

Political donations

During the year ended 30 November 2016 the Group made no donations for political purposes (2015: USD nil).

Subsequent events

Details of important events affecting the Group and Company which have taken place since the end of the reporting period are disclosed in note 27 to the financial statements.

Relevant audit information

The directors believe there is no relevant audit information of which auditors are unaware. The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the auditors are aware of that information.

Audit committee

The Group has an Audit Committee in place, which is responsible for developing and monitoring the Group's risk management policies. Further details are set out in note 26.

Directors compliance statement

The directors are responsible for securing compliance with both company and tax law. The directors confirm that:

- a "compliance policy statement" has been drawn up setting out the Company's policies (that, in the directors' opinion, are appropriate to the Company) regarding compliance by the Company with its "relevant obligations";
- appropriate arrangements or structures that are, in the directors' opinion, sufficient to secure material compliance with the Company's "relevant obligations" have been put in place; and
- a review of such arrangements or structures has been conducted during the year.

Accounting records

The Directors believe that they have complied with the requirements of Section 281 of the Companies Act 2014 with regard to keeping adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at 4th Floor Block B, Riverside IV, Sir John Rogerson's Quay, Dublin 2, Ireland.

Auditors

KPMG, Chartered Accountants, will continue in office in accordance with Section 383(2) of the Companies Act 2014.

On behalf of the board

/s/ D. Siegel	/s/ S. Glass
David Siegel Director	Simon Glass Director

Date 31 January 2017

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

Under company law the Directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year. In preparing each of the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Group and the Company and which enable them to ensure that the financial statements of the Group and the Company are prepared in accordance with applicable IFRS, as adopted by the EU and comply with the provisions of the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

/s/ D. Siegel	/s/ S. Glass
David Siegel Director	Simon Glass Director

Date 31 January 2017

KPMG
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Independent auditor's report to the members of AWAS Aviation Capital DAC

We have audited the Group and Company financial statements ("financial statements") of AWAS Aviation Capital DAC for the year ended 30 November 2016 which comprise the consolidated statements of profit or loss and other comprehensive income, consolidated and company statements of financial position, consolidated and company statements of cash flows and consolidated and company statements of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union, and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

Opinions and conclusions arising from our audit

1. Our opinion on the financial statements is unmodified

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 30 November 2016 and its loss for the year then ended;
- the Company statement of financial position gives a true and fair view of the assets, liabilities and financial position of the Company as at 30 November 2016;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2014; and
- the Group financial statements and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

2. Our conclusions on other matters on which we are required to report by the Companies Act 2014 are set out below

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

3. We have nothing to report in respect of matters on which we are required to report by exception

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In addition, the Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made.

KPMG
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Independent auditor's report to the members of AWAS Aviation Capital DAC (continued)

Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Directors' Responsibilities set out on page 47, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group and Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our report is made solely to the Company's members, as a body, in accordance with Secion 391 of the Companies Act 2014. 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.

/s/ K. Croke

Killian Croke
for and on behalf of

KPMG
Chartered Accountants, Statutory Audit Firm
Date: 31 January 2017

1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 November 2016

In thousands of US Dollars	Note	2016	2015
Revenues			
Lease revenue	4	946,081	1,208,070
Other income	5	10,284	5,938
Expenses			
Depreciation and amortisation	7	(362,690)	(385,524)
Gain on disposal of aircraft		15,670	44,579
Loss on transfer to held-for-sale		(19,734)	(76,858)
Loss on transfer to finance lease receivable		-	(3,913)
Aircraft maintenance		(28,517)	(40,899)
Asset impairment	10	(177,703)	(36,650)
General and administrative expenses	6	(88,484)	(114,865)
Results from operating activities		**294,907**	**599,878**
Finance income	8	1,630	1,495
Finance expenses	8	(418,107)	(610,881)
Net finance costs		**(416,477)**	**(609,386)**
(Loss) / profit before income tax		**(121,570)**	**(9,508)**
Income tax benefit	9	8,871	13,816
(Loss) / profit for the year		**(112,699)**	**4,308**
Other comprehensive income (items that are or may be reclassified to profit or loss)		-	-
Total comprehensive income for the year		**(112,699)**	**4,308**

All activities derive from continuing operations. All profits and total comprehensive income for the year and the preceding financial year are attributable to the owners of the Company.

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of financial position As at 30 November 2016

In thousands of US Dollars	Note	2016	2015
Assets			
Property, plant and equipment	10	7,428,177	7,382,977
Deposits for aircraft purchases	11	150,373	51,877
Other non-current assets	12	26,612	30,023
Finance lease receivables	13	24,316	28,682
Intangible assets	18	115,663	113,805
Loans to shareholders	24	-	6,257
Total non-current assets		**7,745,141**	**7,613,621**
Cash and cash equivalents	16	189,035	464,459
Restricted cash	16	196,957	230,627
Other current assets	12	27,455	39,180
Derivative financial assets	23	3,617	100
Trade and other receivables	14	20,655	41,182
Prepayments		1,764	1,541
Finance lease receivables	13	4,366	14,162
Intangible assets	18	11,527	15,952
Assets held-for-sale	17	83,451	1,100,617
Total current assets		**538,827**	**1,907,820**
Total assets		**8,283,968**	**9,521,441**
Equity			
Share capital	19	1,723,152	1,723,152
Additional paid in capital	19	-	173,079
Capital contribution	19	13,032	12,641
Reserves	19	157,950	597,427
Total equity		**1,894,134**	**2,506,299**
Liabilities			
Loans and borrowings	20	4,455,508	4,159,422
Borrowings from shareholders	24	-	35,111
Deferred tax liabilities	15	156,691	167,612
Maintenance advances and liabilities	21	666,782	630,685
Intangible liabilities	18	1,809	3,038
Non-current trade and other payables	22	151,999	141,949
Total non-current liabilities		**5,432,789**	**5,137,817**
Loans and borrowings	20	660,434	1,462,709
Trade and other payables	22	107,883	127,784
Derivative financial liabilities	23	5,519	9,316
Maintenance advances and liabilities	21	151,148	87,865
Intangible liabilities	18	1,420	1,408
Liabilities held-for-sale	17	27,658	185,044
Current tax		2,983	3,199
Total current liabilities		**957,045**	**1,877,325**
Total liabilities		**6,389,834**	**7,015,142**
Total equity and liabilities		**8,283,968**	**9,521,441**

The accompanying notes form an integral part of these consolidated financial statements.

On behalf of the board

/s/ D. Siegel

David Siegel
Director

/s/ S. Glass

Simon Glass
Director

Date: 31 January 2017

Company statement of financial position
As at 30 November 2016

In thousands of US Dollars	Note	2016	2015
Assets			
Investments in subsidiary undertakings	24	2,042,843	2,387,287
Loans to related parties	24	61,833	653,171
Loans to shareholders	24	-	6,257
Total non-current assets		**2,104,676**	**3,046,715**
Cash and cash equivalents		167,105	418,084
Trade and other receivables		76	35
Receivable from related parties	24	1,235,375	454,905
Total current assets		**1,402,556**	**873,024**
Total assets		**3,507,232**	**3,919,739**
Equity			
Share capital	19	1,723,152	1,723,152
Capital contribution	19	13,032	12,641
Reserves	19	203,615	702,474
Total equity		**1,939,799**	**2,438,267**
Liabilities			
Loans and borrowings	20	24,898	-
Total non-current liabilities		**24,898**	**-**
Loans and borrowings	20	(336)	149,105
Payable to related parties	24	1,542,756	1,330,615
Current tax		115	1,752
Total current liabilities		**1,542,535**	**1,481,472**
Total liabilities		**1,567,433**	**1,481,472**
Total equity and liabilities		**3,507,232**	**3,919,739**

The accompanying notes form an integral part of these consolidated financial statements.

On behalf of the board

/s/ D. Siegel

David Siegel
Director

/s/ S. Glass

Simon Glass
Director

Date: 31 January 2017

Consolidated statement of cash flows
For the year ended 30 November 2016

In thousands of US Dollars	2016	2015
Cash flows from operating activities		
(Loss) / profit for the year	(112,699)	4,308
Adjustments for:		
Depreciation and amortisation	362,690	385,524
Asset impairment	177,703	36,650
Gain on disposal of fixed assets	(15,670)	(44,579)
Loss on transfer to held-for-sale	19,734	76,858
Loss on transfer to finance lease receivable	-	3,913
Unrealised (gain) / loss in value of derivatives	(7,314)	3,371
Net finance costs	400,680	521,532
Other financing fees	-	14,158
Amortisation of fair value discounts and financing fees	23,111	70,325
Income tax	(8,871)	(13,816)
Changes in operating assets and liabilities		
Decrease / (increase) in trade and other receivables	20,527	(13,783)
Decrease in other assets	15,136	19,045
Decrease in trade and other payables	(9,851)	(90,975)
Increase / (decrease) in maintenance advances and liabilities	99,380	(99,814)
Increase /(decrease) in other liabilities	94,616	(47,818)
Net cash from operating activities	**1,059,172**	**824,899**
Cash flows from investing activities		
Movement in restricted cash	33,670	18,959
Acquisition of property, plant and equipment	(676,565)	(1,194,017)
Proceeds from sale of property, plant and equipment	899,473	3,399,669
Loans to shareholders	-	(250)
Repayment of loans to shareholder	5,340	-
Interest received	2,166	693
Deposits paid for the purchase of aircraft	(129,862)	(46,229)
Net cash from investing activities	**134,222**	**2,178,825**
Cash flows from financing activities		
Repayment of shareholder financing	(232,916)	(280,864)
Proceeds from borrowings	1,330,344	1,982,866
Repayment of borrowings	(1,834,258)	(3,534,192)
Cash interest paid	(205,652)	(284,695)
Payment of transaction costs related to loans and borrowings	(24,252)	(20,816)
Dividend paid	(502,084)	(631,420)
Net cash used in financing activities	**(1,468,818)**	**(2,769,121)**
Net (decrease) / increase in cash and cash equivalents	**(275,424)**	**234,603**
Cash and cash equivalents at beginning of the year	464,459	229,856
Cash and cash equivalents at 30 November	**189,035**	**464,459**

Supplemental disclosure:		
Cash paid for interest	205,652	284,695
Cash paid for taxes	2,307	1,882

The accompanying notes form an integral part of these consolidated financial statements.

Company statement of cash flows
For the year ended 30 November 2016

In thousands of US Dollars	2016	2015
Cash flows from operating activities		
Profit for the year	998	56,313
Adjustments for:		
Net finance costs	(2,770)	(54,989)
Amortisation of financing fees	1,604	1,791
Income tax	115	(11,806)
Movement in related party balances	(568,330)	369,363
Movement in working capital	140,928	53,378
Net cash (used in) / from operating activities	**(427,455)**	**414,050**
Cash flows from investing activities		
Loan to shareholders	-	(250)
Repayment of loans to shareholder	5,340	-
Dividends received from subsidiaries	-	147,178
Return of capital from subsidiaries	200,000	-
Interest received	2,248	53,839
Net cash from investing activities	**207,588**	**(200,767)**
Cash flows from financing activities		
Repayments of shareholder financing	-	(168,580)
Movement in related party loans	598,012	665,032
Cash interest paid	(2,441)	(26,851)
Payment of transaction costs related to loans and borrowings	(699)	-
Proceeds from borrowings	25,000	-
Repayment of borrowings	(148,900)	(245,700)
Dividend paid	(502,084)	(631,420)
Net cash used in financing activities	**(31,112)**	**(407,519)**
Net (decrease) / increase in cash and cash equivalents	**(250,979)**	**207,298**
Cash and cash equivalents at beginning of the year	418,084	210,786
Cash and cash equivalents at 30 November	**167,105**	**418,084**

Supplemental disclosure:		
Cash paid for interest	2,441	26,851
Cash paid for taxes	-	(52)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
For the year ended 30 November 2016

In thousands of USD	Share capital	Additional paid In capital	Capital contribution	Profit and loss reserves	Total equity
At 30 November 2014	**1,723,152**	**424,243**	**591,726**	**391,719**	**3,130,840**
Total comprehensive income for the year					
Profit for the year	-	-	-	4,308	4,308
Other comprehensive income					
Transactions with shareholders, recorded directly in equity					
Other reserve	-	2,571	-	-	2,571
Transfer to profit and loss reserves	-	-	(571,420)	571,420	-
Dividend paid	-	-	-	(631,420)	(631,420)
Reclassification of imputed interest and share based payment reserves	-	(253,735)	(7,665)	261,400	-
At 30 November 2015	**1,723,152**	**173,079**	**12,641**	**597,427**	**2,506,299**
Total comprehensive income for the year					
Loss for the year	-	-	-	(112,699)	(112,699)
Transactions with shareholders, recorded directly in equity					
Share based payment reserve	-	-	2,618	-	2,618
Dividend paid	-	-	-	(502,084)	(502,084)
Reclassification of imputed interest and share based payment reserves	-	(173,079)	(2,227)	175,306	-
At 30 November 2016	**1,723,152**	**-**	**13,032**	**157,950**	**1,894,134**

All equity is attributable to the holders of the ordinary shares in the Company.

The accompanying notes form an integral part of these consolidated financial statements.

Company statement of changes in equity
For the year ended 30 November 2016

In thousands of US Dollars	Share capital	Additional paid In capital	Capital contribution	Profit and loss reserves	Total equity
At 30 November 2014	**1,723,152**	**184,350**	**591,726**	**512,154**	**3,011,382**
Total comprehensive income for the year					
Profit for the year	-	-	-	56,313	56,313
Transactions with shareholders, recorded directly in equity					
Other reserves	-	1,992	-	-	1,992
Transfer to profit and loss reserves	-	-	(571,420)	571,420	-
Dividend paid	-	-	-	(631,420)	(631,420)
Reclassification of imputed interest and share based payment reserves	-	(186,342)	(7,665)	194,007	-
At 30 November 2015	**1,723,152**	**-**	**12,641**	**702,474**	**2,438,267**
Total comprehensive income for the year					
Profit for the year	-	-	-	998	998
Transactions with shareholders, recorded directly in equity					
Share based payment reserve	-	-	2,618	-	2,618
Dividend paid	-	-	-	(502,084)	(502,084)
Reclassification of imputed interest and share based payment reserves	-	-	(2,227)	2,227	-
At 30 November 2016	**1,723,152**	**-**	**13,032**	**203,615**	**1,939,799**

All equity is attributable to the holders of the ordinary shares in the Company.

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Reporting entity

AWAS Aviation Capital Designated Activity Company ("AACD") is a company incorporated and domiciled in the Republic of Ireland. The address of the Company's registered office is 70 Sir John Rogerson's Quay, Dublin 2, Ireland. The consolidated financial statements of the Company as at 30 November 2016 and for the year ended 30 November 2016 comprise the Company and its subsidiaries.

AACD's sole shareholder is Carmel Capital SARL ("Carmel Capital"), a Luxembourg Société à Responsabilité Limitée, which is owned by investment funds managed by Terra Firma Investments (GP) 2 Limited and, Terra Firma Investments (GP) 3 Limited, and by CPP Investment Board Private Holdings Inc ("CPPIB").

AACD is the parent undertaking of the Group for which consolidated financial statements including the Company are prepared. The financial statements of the Company are filed with the Registrar of Companies, Companies Office, Parnell Square Dublin 1, and may be obtained by writing to The Secretary, AWAS Aviation Capital DAC, 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

AACD is a holding company for AWAS Acquisitions LLC ("AAL") and AWAS Consolidated Holdings Limited ("ACHL"), which in turn is the holding company for AWAS Aviation Investments Limited ("AAIL"), AWAS Aviation Trading Designated Activity Company ("AATD") and AWAS Aviation Holdings Limited ("AAHL").

2. Significant accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and the Companies Act 2014.

IFRSs applied by the Group in the preparation of these consolidated financial statements are those that were effective and applicable at 30 November 2016.

New standards and interpretations adopted during the year

The following new standards became effective in 2016:

- Amendments IAS 19: Defined Benefit Plans Employee contributions – These narrow scope amendments apply to contributions from employees or third parties to benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.
- Annual improvements to IFRSs 2010 – 2012 Cycle – various standards.

The above standards did not result in material changes to the financial statements. There are a number of other changes to IFRS which became effective for the Group and Company during the financial year but did not result in material changes to the financial statements.

2. Significant accounting policies (continued)

(a) Statement of compliance (continued)

New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations that have been EU endorsed are effective for future reporting periods, and have not been applied in preparing these financial statements:

- Amendments to IFRS 11: Accounting for acquisitions of interests in Joint Operations.
- IFRS 14 Regulatory Deferral Accounts.
- Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation.
- Amendments to IAS 27 Equity method in Separate Financial Statements.
- Amendments to IAS 1: Disclosure Initative.
- Annual improvements to IFRSs 2012 – 2014 Cycle – various standards.
- Applying IFRS 9 with IFRS 4 (Amendments to IFRS 4)
- IFRS 16 Leases

These are all effective for annual periods beginning on or after 1 January 2016. The Group has taken the decision not to adopt these standards early. The extent of the impact for future accounting periods is still under review by the Group.

(b) Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU as applied in accordance with the Companies Act 2014. They have been prepared under the historical cost convention as modified by the valuation of certain financial assets and liabilities at fair value through the consolidated statement of profit or loss and other comprehensive income and the valuation of equity settled share based payments.

The individual financial statements of the Company have been prepared in accordance with IFRS as adopted by the EU as applied in accordance with the Companies Act 2014. The Company has taken advantage of the exemption in Section 304 of the Companies Act 2014 which exempts a company that publishes its Company and Group financial statements together from presenting its Company income statement and related notes that form part of the approved Company financial statements.

(c) Estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

2. Significant accounting policies (continued)

(c) Estimates and judgements (continued)

Lease revenue

The Group leases aircraft principally under operating leases, and reports rental income on a straight-line basis over the life of the lease as it is earned. In certain cases, leases provide for additional rentals based on usage, which is recorded as revenue as it is earned under the terms of the lease. The usage is calculated based on hourly usage or cycles operated, depending on the lease agreement. Other leases provide for a lease-end adjustment payment by us, or the lessee, at the end of the lease based on usage of the aircraft and its condition upon return.

The Group also includes maintenance reserves that are not expected to be reimbursed to lessees, as lease revenue, when the Group has reliable information that the lessee will not require reimbursements of additional rentals based on a maintenance forecasting model. This model estimates the maintenance inflows and outflows to lease termination date or for five years, whichever is sooner, for each aircraft.

Property, plant and equipment

In accounting for property, plant and equipment, the Group make estimates about the expected useful lives, the fair value of acquired leases and the estimated residual value of aircraft. In estimating useful lives, fair value of leases and residual value of aircraft, the Group relies upon actual industry experience, supported by estimates received from an independent appraiser, for the same or similar aircraft types and considering the Group's anticipated utilisation of the aircraft.

In accordance with IAS 36 – Impairment of Assets, the Group's aircraft that are to be held and used, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the aircraft may not be recoverable. An impairment review involves consideration as to whether the carrying value of an aircraft is not recoverable and is in excess of its fair value. In such circumstances an impairment charge is recognised as a write down of the carrying value of the aircraft to the higher of value in use and fair value less cost to sell.

The review for recoverability has a level of subjectivity and requires the use of judgement in the assessment of estimated future cash flows associated with the use of an item of property, plant and equipment and its eventual disposition. Future cash flows are assumed to occur under the current market conditions and assume adequate time for a sale between a willing buyer and a willing seller. Expected future lease rates are based upon all relevant information available, including the existing lease, current contracted rates for similar aircraft, appraisal data and industry trends, and assumptions about downtime between re-leasing events and the amount of re-leasing costs.

The factors considered in estimating the future cash flows are impacted by changes in contracted lease rates, future projected lease rates, transition costs, estimated downtime, estimated residual values, economic conditions, technology and airline demand for particular aircraft types. These estimated cash flows are discounted at 5.3% per annum, which management believe is appropriate for each individual asset class assessed. (2015: 5.3%).

During the year ended 30 November 2016 the Group changed the estimated useful economic life of freighter aircraft from 35 to 25 years. Further details in note 2(h).

2. Significant accounting policies (continued)

(c) Estimates and judgements (continued)

Deferred tax assets and liabilities

The Group uses the balance sheet method for accounting for deferred taxes. Under the balance sheet method, deferred taxes are recognised for all temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled. The effect on deferred taxes of changes in the tax rate is recognised in the statement of profit or loss and other comprehensive income in the period that includes the enactment date.

The Group records a valuation allowance for deferred tax assets when the probability of realisation of the asset is less than more likely. Changes in recognition or measurement are reflected in the period in which the change in judgement occurs. In assessing the reliability of deferred tax assets, the Group considers whether it is probable that some or all of the deferred tax assets will not be realised. All available evidence is considered and weighed to determine whether a valuation allowance is needed or should be removed. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. This could be significantly reduced in the near term if estimates of future taxable income are reduced due to prolonged dislocation in the capital markets, or there are negative changes in economic conditions and their consequences for air travel generally and demand for aircraft specifically. The key judgements associated with the accounting for deferred taxes relate primarily to the estimation or forecasting of future profits.

Maintenance advances and liabilities

In many aircraft operating lease contracts, the lessee has the obligation to make periodic payments which are calculated with reference to the utilisation of airframes, engines and other major life-limited components during the lease (supplemental amounts). In such contracts, upon lessee presentation of invoices evidencing the completion of qualifying work on the aircraft, the Group reimburses the lessee for the work, up to a maximum of the supplemental amounts received with respect to such work.

The Group records supplemental amounts as maintenance advances. Amounts not expected to be reimbursed to the lessee during the lease are recorded as lease revenue when the Group has reliable information that the lessee will not require reimbursement of maintenance advances based on a maintenance forecasting model, which estimates the maintenance inflows and outflows to lease termination date or for five years, whichever is sooner, for each aircraft.

(d) Functional and presentation currency

The financial statements are presented in United States Dollars ("USD"), which is the functional currency of the Company and all the companies in the Group. All financial information presented in USD has been rounded to the nearest thousand. The Directors of the Company believe that USD most faithfully represents the economic effects of the underlying transactions, events and conditions.

2. Significant accounting policies (continued)

(e) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries and entities controlled by the Group are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In publishing the parent Company financial statements together with the Group financial statements, the Company has taken advantage of the exemption in the Companies Act 2014, Section 304 not to present its parent Company statement of profit or loss and other comprehensive income and related notes. The Company's profit after tax for year ended 30 November 2016 increased compared to prior year.

Involvement with unconsolidated structured entities

During the year ended 30 November 2015 the Group entered into a securitisation transaction for 29 aircraft. The Group concluded that it does not control the securitisation vehicle, Diamond Head Aviation 2015 Limited, and therefore should not consolidate it.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(f) Foreign currency transactions

Transactions in foreign currencies are translated to USD at exchange rates prevailing at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into USD at the exchange rate prevailing at the reporting date, with differences arising recognised as profit or loss in the consolidated statement of profit or loss and other comprehensive income.

(g) Financial instruments

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. 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. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations, specified in the contract, expire, are discharged or cancelled.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash resources, loans and borrowings, trade and other payables and available-for-sale assets. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs with the exception of available-for-sale financial assets. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses in the case of financial assets.

Fair values of non-derivative financial instruments, which are determined for disclosure purposes, are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

2. Significant accounting policies (continued)

(g) Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held for the purpose of meeting short term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Where investments are categorised as cash equivalents, the related balance has a maturity of three months or less from the date of acquisition. Cash is carried at amortised cost.

Restricted cash

Restricted cash comprises cash held by the Group but which is ring-fenced or used as security for specific financing arrangements, and to which the Group does not have unfettered access. Restricted cash is measured at amortised cost.

Low interest and interest free loans

Low interest and interest free loans are measured on initial recognition at fair value. Fair value of below market loans is the present value of the expected future cash flows, discounted using a market related rate.

Any difference between the cost and the fair value of the instrument upon initial recognition is recognised as a gain or a loss in profit or loss, unless the loan is from a shareholder or related party acting on behalf of the shareholder in its capacity as a shareholder. In the latter case the resulting credit is reflected in equity, as the substance of the low interest and / or interest free terms represent a contribution by the shareholder.

The difference between the amount initially recognised as a liability in respect of loan interest and / or interest free loans and the amount ultimately repayable is recognised as a finance expense through profit or loss using the effective interest method.

Loans and borrowings

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Loans and borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised as profit or loss in the consolidated statement of profit or loss and other comprehensive income over the period of borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least one year after the reporting date and intends to exercise this right.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and are thereafter measured at amortised cost using the effective interest rate less any provision for impairment. Trade and other receivables are discounted when the time value of money is considered material. A provision for impairment of trade receivables is recognised when there is objective evidence the Group will not be able to collect all amounts due according to the original terms of the receivables. The provision is calculated based on the Group's exposure in excess of security held. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that a trade receivable is impaired.

Trade and other payables

Trade and other payables are recognised initially at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Notes to the consolidated financial statements

2. Significant accounting policies (continued)

(g) Financial instruments (continued)

Derivative financial instruments

Derivatives not designated as hedges

The Group holds derivative financial instruments to economically hedge its interest rate risk exposures. Derivatives are recognised initially at fair value; attributable transaction costs are recognised through profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value through profit or loss.

Embedded derivatives

Certain derivatives embedded in other financial instruments, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are separately accounted for at fair value, with changes in fair value recognised in profit or loss.

(h) Property, plant and equipment

Items of property, plant and equipment consist of aircraft, that management intend to hold and lease, are measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight line basis to the aircrafts' estimated residual value over the estimated useful economic life of the aircraft, which is up to 25 years from the date of manufacture.

During the year ended 30 November 2016 the Group changed the estimated useful economic life of freighter aircraft from 35 to 25 years. This change in estimate impacts the depreciation charge as the period over which the aircraft is depreciated is shorter resulting in an increase in depreciation charge of USD 9.8 million for the year ended 30 November 2016 for impacted freighter aircraft.

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

• passenger and freighter aircraft	25 years
• buyer furnished equipment	lease term
• computer equipment	3 years
• fixtures and fittings	5-8 years
• other assets	5-8 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

Aircraft are assessed for recoverability in accordance with IAS 36 – Impairment of Assets, whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Notwithstanding the results of this review, in certain circumstances management also considers the carrying values of specified aircraft where indicators of a diminution in value have been identified, based on aircraft specific sales and technical information.

For the purposes of measuring an impairment loss, each aircraft is tested individually by comparing its carrying amount to the higher of value in use and fair value less cost to sell. Value in use is determined as the total cash flows expected to be generated by an aircraft, discounted at a market rate. Fair value is determined based on maintenance adjusted current market values obtained from an independent appraiser.

2. Significant accounting policies (continued)

(i) Non-current assets and liabilities held-for-sale

Non-current assets (or disposal groups comprising assets and liabilities) which are expected to be recovered primarily through sale rather than through continuing use are classified as held-for-sale. Immediately before classification as held-for-sale, the assets (or components of a disposal group) are re-measured in accordance with the Group's accounting policies. Thereafter the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell, except for certain items that continue to be measured in accordance with usual accounting policies. These include financial assets, deferred tax assets and employee benefits.

When liabilities directly associated with assets held-for-sale will be transferred in the transaction, they are presented separately from other liabilities, within liabilities held-for-sale category, in the consolidated statement of financial position.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro-rata basis. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on re-measurement are recognised through profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(j) Maintenance advances and liabilities

Maintenance advances and liabilities comprise of maintenance advances, lessor contributions, repossession provisions, re-lease provisions and heavy maintenance provisions.

Maintenance advances

In many aircraft operating lease contracts, the lessee has the obligation to make periodic payments which are calculated with reference to the utilisation of airframes, engines and other major life-limited components during the lease ("supplemental amounts"). In such contracts, upon lessee presentation of invoices evidencing the completion of qualifying work on the aircraft, the Group reimburses the lessee for the work, up to a maximum of the supplemental amounts received with respect to such work.

The Group derecognises amounts not expected to be refunded during the lease and records them as lease revenue when the Group has reliable information that the lessee will not require reimbursement of maintenance advances based on a maintenance forecasting model, which estimates the maintenance inflows and outflows to lease termination date or for five years, whichever is sooner, for each aircraft.

When aircraft are sold the portion of the accrued liability not specifically assigned to the buyer is derecognised from the consolidated statement of financial position as part of the gain or loss on disposal of the aircraft.

2. Significant accounting policies (continued)

(j) Maintenance advances and liabilities (continued)

Lessor contributions

At the beginning of each new lease subsequent to the first lease on a new aircraft, lessor contributions representing contractual obligations on the part of the Group to contribute to the lessee's cost of the next planned major maintenance event, expected to occur during the lease, are established. The Group regularly reviews the level of lessor contributions to cover its contractual obligations under current lease contracts and makes adjustments as necessary.

Lessor contributions represent a lease incentive and are recorded as a charge against lease rental income over the life of the associated lease. When aircraft are sold the portion of the accrued liability not specifically assigned to the buyer is derecognised from the consolidated statement of financial position as part of the gain or loss on disposal of the aircraft.

Lessor contributions in respect of end of lease adjustments are recognised when the group believes it is probable that it will be required to reimburse amounts to a lessee and the amount can be reasonably estimated.

Repossession provision

The repossession provision represents the light maintenance costs associated with the repossession, preparation and transition of an aircraft to a new lessee. Repossession provisions are recognised when the Group believes it is probable that the costs will be incurred and the amount is reasonably estimable.

Heavy maintenance provision

The heavy maintenance provision represents the heavy maintenance costs associated with the preparation and transition of an aircraft to a new lessee. This includes any costs related to heavy maintenance overhauls not covered by previously collected maintenance advances. Heavy maintenance provisions are recognised when the Group believes it is probable that the costs will be incurred and the amount is reasonably estimable.

Re-lease provision

Re-lease provisions represent the Group's best estimate of the costs associated with the preparing and transitioning of an aircraft from one lessee to another. These are recognised when the Group has a present obligation, the future sacrifice of economics benefits is probable and the amount of the provision can be reliably measured.

(k) Employee benefits

Private pension plans

Obligations for contributions to defined contribution private pension plans are recognised as an expense through profit or loss when they accrue.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

2. Significant accounting policies (continued)

(k) Employee benefits (continued)

Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long term employee benefits

The Group's net obligation in respect of long term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Present value of future benefits is estimated by applying a discount rate of 5.3% (2015: 5.3%).

Share based payments transactions

The grant-date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employee become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share based payment awards with non-vesting conditions, the grant-date fair value of the share based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(m) Revenue

The Group, as a lessor, leases aircraft principally under operating leases and records rental income on a straight line basis over the life of the lease as it is earned. The Group accounts for lease rental income under lease agreements that include step rent clauses on a straight line basis over the lease term. In certain cases, lease agreements provide for rentals based on usage. The usage may be calculated based on hourly usage or on the number of cycles operated, depending on the lease contract. The Group accounts for lease rentals under such agreements on a basis that represents the time pattern in which the revenue is earned. For past-due rentals on all leases, an impairment provision may be established on the basis of management's assessment of collectability and to the extent such past-due rentals exceed related security deposits held. Impairment charges are expensed through profit or loss and included in lease revenue.

Most of the Group's lease contracts require payment in advance. Rentals received, but unearned under these lease agreements, are recorded as deferred revenue in trade and other payables.

2. Significant accounting policies (continued)

(m) Revenue

In certain contracts, the lessee is required to re-deliver the aircraft in a specified maintenance condition (normal wear and tear excepted), with reference to major life-limited components of the aircraft. To the extent that such components are re-delivered in a different condition than specified, there is normally an end-of-lease compensation adjustment for the difference at re-delivery. Amounts received as part of these re-delivery adjustments are recorded as lease rental income at lease termination.

The Group includes amounts recorded as maintenance advances that are not expected to be reimbursed to lessees as lease revenue.

(n) Finance income and expenses

Finance income comprises interest income on funds invested, dividend income, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, and gains on derivatives instruments that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on loans and borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets and liabilities at fair value through profit or loss, and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

(o) Lease payments

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Upon entering into such a lease, payments made under operating leases are recognised as an expense through profit or loss on a straight line basis over the term of the lease. Lease incentives are recognised as a reduction of the total lease expense, over the term of the lease.

When the Group leases an asset from an external party and has substantially all the risks and rewards of ownership, the lease is classified as a finance lease. Minimum lease payments made under finance leases are apportioned between the finance expense and reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(p) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the related tax is also recognised in other comprehensive income or equity respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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2. Significant accounting policies (continued)

(p) Income tax expense

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: those arising on the initial recognition of goodwill, those arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(q) Investments

Investments in subsidiaries are shown at cost less provisions for impairment. Income from investments in subsidiaries, together with any related tax credit, is recognised in the consolidated statement of profit and loss and other comprehensive income in the period in which it is receivable.

(r) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(s) Intangible assets and liabilities

Lease intangible assets

Lease intangible asset represents the value of an acquired lease where the contractual rent payments are above the market lease rate at the date of acquisition. This asset is recognised at cost based on discounted cashflows and is amortised on a straight-line basis over the remaining term of the related lease and recorded as a reduction in lease rental income.

Lease intangible liabilities

Lease intangible liability represents the value of an acquired lease where the contractual rent payments are below the market lease rate at the date of acquisition. This liability is recognised at cost based on discounted cashflows and amortised on a straight-line basis over the remaining term of the related lease and recorded as an increase in lease rental income.

Maintenance intangible assets

Maintenance intangible asset represents the value in the difference between the contractual right under the acquired leases to receive the aircraft in a specified maintenance condition at the end of the lease and the actual physical condition of the aircraft at the date of acquisition. The amortisation for maintenance intangible commences when the Group has reliable information about maintenance advances received under the same lease that are not expected to be reimbursed to customers or at the end of the lease. Maintenance intangible asset amortisation is recorded as a component of depreciation and amortisation.

2. Significant accounting policies (continued)

(t) Financial guarantees

Financial guarantees are initially recognised in the financial statements at fair value on the date that the guarantee is given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the initial measurement and the best estimate of the expenditure required to settle any financial obligation arising as a result of the guarantees at the reporting date. Any increase in the liability relating to guarantees is taken to the consolidated statement of profit or loss and other comprehensive income.

3. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for financial and non-financial assets and liabilities. Fair value is the amount at which an instrument could be exchanged in an arm's length transaction between informed and willing parties, other than as part of a forced liquidation sale. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

When measuring fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Fair values have been determined for measurement and / or disclosure purposes based on the following methods:

Property, plant and equipment

The cost of property, plant and equipment initially recognised as a result of a business combination is based on market values. The market value of property, plant and equipment is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The Group uses independent, professional valuations as an estimate of the fair value of aircraft.

3. Determination of fair values (continued)

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows and is discounted at the market rate of interest when the impact is material.

Cash and cash resources

The carrying amount approximates to fair value due to the short term nature of these instruments. Cash and cash resources comprise restricted, unrestricted cash and short term investments.

Finance lease receivables

The fair value of finance lease receivables are estimated by reference to lease market rates provided by external parties.

Loans and borrowings

The fair value of loans and borrowings is estimated as the present value of future cash outflows discounted at market rates of similar credit quality and tenor.

Derivatives – interest rate swaps and caps

Interest rate swaps and interest rate cap contracts held by the Group are designated as financial instruments through profit and loss and measured at fair value. Fair value is based on broker quotes, which are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values include adjustments to take account of the credit risk of the Group entity and counterparty as required.

Derivatives – embedded derivatives

Embedded derivatives are fair valued using option pricing model and by reference to market rates provided by external parties.

Notes to the consolidated financial statements

4. Lease revenue

In thousands of USD	2016	2015
Lease rental income	946,081	1,208,070
Total lease revenue	946,081	1,208,070

During the year ended 30 November 2015 the Group sold two portfolios of aircraft to third party buyers. The aircraft were classified as held-for-sale from the closing date the Group entered into the arrangements, until title on the aircraft passed to the buyer. The Group continues to recognise lease rental income on these portfolios of aircraft held-for-sale, notwithstanding that the arrangements provide for the final selling price on completion of sale to be reduced by the same amount. The total amount of lease revenue recognised for these portfolios of aircraft was USD 26.9 million for the year ended 30 November 2016 (2015: USD 289.4 million).

During the year ended 30 November 2016 contingent rental income comprising the release of maintenance advances totalled USD 54.4 million (2015: USD 57.3 million). Lease revenue also includes a charge associated with the amortisation of lease incentive assets of USD 25.6 million (2015: USD 25.4 million) for the year ended 30 November 2016. In addition, lease revenue includes a net charge associated with the amortisation of lease intangible assets and liabilities of USD 6.2 million (2015: USD 5.9 million), further details disclosed in note 18.

Lease rental income is derived mainly from leasing commercial jet aircraft to various operators around the world. The distribution of lease rental income by operator's geographic region is as follows:

	2016	2016	2015	2015
	USD '000	%	USD '000	%
Europe	248,513	27	266,363	22
Asia / Pacific	446,687	47	570,962	47
North America and Caribbean	98,048	10	186,392	15
Africa / Middle East	86,329	9	85,805	7
Latin America	66,504	7	98,548	9
Total lease revenue	946,081	100	1,208,070	100

Lease rental income from the top five customers represented 19% (2015: 17%) of total revenues for the year ended 30 November 2016. No customer accounted for more than 6% (2015: 5%) of revenue in the year ended 30 November 2016. At 30 November 2016, there were 25 aircraft subject to lease contracts with customers which are scheduled to expire during the year ending 30 November 2017 (2015: 32 scheduled to expire during year ended 30 November 2016).

At 30 November 2016, 14 lease contracts (2015: 28) had lessee early termination rights, six lease contracts (2015: 12) had lessee purchase option rights, and one lease contract (2015: 4) had lessor early termination rights.

4. Lease revenue (continued)

At 30 November 2016, the Group had contracted to receive the following minimum cash lease rentals under non-cancellable operating leases:

In thousands of USD	2016	2015
Not later than one year	864,879	858,075
Later than one year and not later than five years	2,282,584	2,228,763
Later than five years	1,070,133	1,093,615
Total	4,217,596	4,180,453

5. Other income

In thousands of USD	2016	2015
Other income	10,284	5,938
Total other income	10,284	5,938

Other income relates mainly to settlements received from counterparties, gains on spare part sales and release of security deposits.

6. General and administrative expenses

In thousands of USD	2016	2015
Compensation and benefit expenses	48,552	66,412
Legal and professional fees	26,591	29,944
Office expenses	3,943	4,056
Travel expenses	2,598	3,401
Administrative expenses	6,800	11,052
Total general and administrative expenses	88,484	114,865

Compensation and benefit expenses breakdown is as follows:

In thousands of USD	2016	2015
Salaries and wages	32,755	36,168
Other compensation	3,691	-
Long term employment benefits and share based payments	6,912	24,827
Contributions to defined contribution pension plans	2,864	2,061
Health and welfare	1,331	1,867
Other	999	1,489
Total	48,552	66,412

During the year ended 30 November 2016 long term employment benefits and share based payments totalled USD 6.9 million (2015: USD 24.8 million). This decrease was due to lower costs associated with certain management incentive schemes. For further details see note 24.

The Group had 103 persons (2015: 120) in employment as at 30 November 2016. The average number of employees during the year was 112 (2015: 125).

Notes to the consolidated financial statements

6. General and administrative expenses (continued)

The employee breakdown by department is as follows:

	2016	2015
Chief Executive Officer and Human Resources	12	11
Finance	25	29
Commercial	19	21
Operations	35	45
Investment and Strategy	12	14
Total	103	120

Costs of employer PRSI in respect of employees amounted to USD 5.7 million (2015: USD 3.3 million).

Certain entities within the Group sponsor employee defined contribution superannuation and 401(K) schemes in various countries. The total expense to the Group in 2016 was USD 2.4 million (2015: USD 2.1 million).

At 30 November 2016, the Group had contracted to pay the following minimum lease rentals under non-cancellable operating leases relating to office space:

In thousands of USD	2016	2015
Not later than one year	2,190	2,428
Later than one year and not later than five years	7,568	7,515
Later than five years	13,368	14,536
Total	23,126	24,479

The Group incurred office lease rental expense for the year ended 30 November 2016 of USD 2.8 million (2015: USD 2.6 million).

7. Statutory information

In thousands of USD	2016	2015
The (loss) / profit for the year has been arrived at after charging:		
Directors' remuneration:		
Fees	169	35
Share based payments	2,618	-
Loss of office	509	-
Other emoluments	7,421	27,307
Total	10,717	27,342

Auditor's remuneration:	2016	2015
Audit of the Group financial statements	277	337
Other assurance services	871	1,034
Tax advisory services	1,409	2,518
Total	2,557	3,889

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7. Statutory information (continued)

In thousands of USD	2016	2015
Depreciation and amortisation of:		
Property, plant and equipment (depreciation)	353,375	376,527
Maintenance intangible asset (amortisation)	9,315	8,997
Impairment of property, plant and equipment	177,703	36,650
Total	540,393	422,174

8. Finance income and expenses

In thousands of USD	2016	2015
Interest income	1,268	955
Finance lease income	362	540
Finance income	1,630	1,495
Interest expense on financial liabilities		
- External	(227,628)	(348,919)
- Internal interest on shareholder loans	(197,805)	(258,143)
Movement in fair value of derivatives	7,314	(3,371)
Net foreign exchange loss	426	(448)
Finance lease expense	(414)	-
Finance expense	(418,107)	(610,881)
Net finance income and expenses	(416,477)	(609,386)

Internal interest on shareholder loans during the year ended 30 November 2016, includes a charge of USD 196.7 million (2015: USD 249.8 million) relating to the acceleration of interest as a result of the repayment of certain interest free shareholder loans of USD 232.9 million (2015: USD 280.9 million). The repayment amount being the total imputed interest recognised on these loans in the Statement of Profit or Loss and Other Comprehensive Income was reclassified from Additional Paid in Capital to Profit and Loss Reserves resulting in no net impact on equity over the life of these loans. For further details see note 24.

External interest during the year ended 30 November 2016, also includes a charge of USD 6.3 million predominantly relating to early repayment fees on the loans associated with a portfolio of aircraft sold to a third party. External interest during the year ended 30 November 2015, also includes a charge of USD 38.3 million relating to acceleration of financing fee amortisation and USD 21.9 million predominantly relating to early repayment fees on the loans associated with a portfolio of aircraft sold to a third party.

Notes to the consolidated financial statements

9. Income tax expense included in the determination of profit or loss for the year

In thousands of USD	2016	2015
Current tax expense		
Current period	1,365	970
Adjustment for prior periods	687	(112)
Total current tax expense	2,052	858
Deferred tax benefit		
Origination and reversal of temporary differences	(11,521)	(13,288)
Adjustment for prior periods	598	(1,386)
Total deferred tax benefit	(10,923)	(14,674)
Total income tax benefit	(8,871)	(13,816)

Reconciliation of effective tax rate

In thousands of USD	2016	2015
(Loss) / profit for the year	(112,699)	4,308
Income tax benefit	(8,871)	(13,816)
Loss excluding income tax	(121,570)	(9,508)
Income tax using the Company's domestic tax rate (12.5%)	(15,196)	(1,189)
US State taxes	1,471	28
Income taxable at different rate	392	50
Tax arising on permanent items	1,412	4,355
Adjustment to prior periods and movement in provision	1,285	(1,495)
Valuation allowance – impairment / reversal of deferred tax asset	2,388	1,233
Utilisation of losses not previously recognised	(126)	(577)
Permanent gain on beneficial interest transfers	(497)	(6,804)
Permanent gain on disposal of shares	-	(9,417)
Total income tax benefit	(8,871)	(13,816)

10. Property, plant and equipment

In thousands of USD	Aircraft and engines	Capitalised maintenance	Other assets	Total
Cost				
Balance at 30 November 2014	13,198,781	120,861	15,564	13,335,206
Capitalised maintenance	-	951	-	951
Transfer to assets held-for-sale	(4,850,971)	(52,578)	-	(4,903,549)
Transfer to finance lease receivable	(40,880)	-	-	(40,880)
Additions	1,374,094	-	1,231	1,375,325
Disposals	(276,255)	(11,057)	-	(287,312)
Balance at 30 November 2015	9,404,769	58,177	16,795	9,479,741
Transfer to assets held-for-sale	(203,214)	(24,017)	-	(227,231)
Additions	673,416	-	755	674,171
Disposals	(156,234)	(676)	-	(156,910)
Balance at 30 November 2016	9,718,737	33,484	17,550	9,769,771
Depreciation				
Balance at 30 November 2014	(2,591,122)	(58,259)	(11,385)	(2,660,766)
Depreciation for the year	(368,049)	(6,831)	(1,647)	(376,527)
Transfer to assets held-for-sale	764,839	28,039	-	792,878
Transfer to finance lease receivable	16,065	-	-	16,065
Impairment charge	(33,201)	(3,449)	-	(36,650)
Disposals	162,782	5,454	-	168,236
Balance at 30 November 2015	(2,048,686)	(35,046)	(13,032)	(2,096,764)
Depreciation for the year	(348,005)	(3,625)	(1,745)	(353,375)
Transfer to assets held-for-sale	147,972	18,548	-	166,520
Impairment charge	(176,812)	(891)	-	(177,703)
Disposals	119,204	524	-	119,728
Balance at 30 November 2016	(2,306,327)	(20,490)	(14,777)	(2,341,594)
Carrying amounts				
At 30 November 2015	7,356,083	23,131	3,763	7,382,977
At 30 November 2016	7,412,410	12,994	2,773	7,428,177

As of 30 November 2016 the Group owned 214 aircraft including six aircraft held-for-sale (2015: 257 aircraft including 50 aircraft held-for-sale), within this the Group had 212 aircraft held for lease on an operating basis (2015: 253 aircraft), two aircraft were recognised as finance lease receivable (2015: 4 aircraft). During the year ended 30 November 2016, the Group sold 59 aircraft (2015: sold 88 aircraft). In addition the Group purchased 16 aircraft (2015: 31 aircraft).

10. Property, plant and equipment (continued)

At 30 November 2016, the Group had agreements for the sale of six aircraft which met the criteria of IFRS 5 to be classified as held-for-sale (2015: 50 aircraft). See note 17 for details of assets held-for-sale.

The Group's obligations under its secured bank loans are secured by charges over, amongst other things, some of the Group's aircraft and related assets.

The Directors develop the assumptions used in assessing the recoverability of aircraft and engines based on their knowledge of active lease contracts, current and future expectations of the global demand for particular aircraft types and historical experience in the aircraft leasing market and aviation industry, as well as information received from third party sources.

For the year ended 30 November 2016, the Group recorded a non-cash impairment charge of USD 177.7 million. The recoverable amounts for these assets after impairment is USD 927.0 million. The recoverable amount was determined on the basis of value-in-use and management judgement. The impairment charge was taken primarily on wide-body freighter aircraft, mid-life A320 family of aircraft, A330s and 767s, where expected increases in the future availability of certain aircraft types and reduced lease rates due to the planned entry into service of more fuel efficient technologically advanced aircraft, have had an impact on current values. These effects taken together indicate that at 30 November 2016 the carrying value of certain aircraft may not be recoverable. The average age of the aircraft impaired during the period ended 30 November 2016 was 11 years.

For the year ended 30 November 2015, the Group recorded a non-cash impairment charge of USD 36.7 million. The recoverable amounts for these assets after impairment is USD 240.8 million. The recoverable amount was determined on the basis of value in use. The impairment charge was taken primarily on wide-body freighter aircraft, A340, 757's, where expected increases in the future availability of certain aircraft types and reduced lease rates due to the planned entry into service of more fuel efficient technologically advanced aircraft, have had an impact on current values. These effects taken together indicate that at 30 November 2015 the carrying value of certain aircraft may not be recoverable. The average age of the aircraft impaired during the year ended 30 November 2015 was 15 years.

Geographic concentration:

The distribution of net book value of the 206 aircraft (2015: 203) by operator's geographic region is as follows:

	2016	2016	2015	2015
	USD '000	%	USD '000	%
Europe*	1,941,833	26	2,111,363	29
Asia / Pacific	3,358,958	45	3,493,492	47
North America & Caribbean	600,458	8	733,399	10
Africa / Middle East	896,752	12	548,010	8
Latin America	614,409	9	469,819	6
Total	7,412,410	100	7,356,083	100

* For aircraft and engines not on lease at year end, the geographical region has been determined as Europe being the location of the Groups head office.

11. Deposits for aircraft purchases

In thousands of USD	
Balance at 30 November 2014	252,674
Increase in purchase deposits	97,502
Transferred to property plant and equipment as aircraft and engines	(250,676)
Transferred to held-for-sale	(47,623)
Balance at 30 November 2015	51,877
Increase in purchase deposits	129,862
Transferred to property plant and equipment as aircraft and engines	(31,366)
Balance at 30 November 2016	150,373

12. Other assets

In thousands of USD	2016	2015
Deferred lease incentive asset	18,521	26,161
Security deposits	2,135	2,136
Deferred charges	6,760	10,158
Other	39	725
Total other current assets	27,455	39,180
Deferred lease incentive asset	26,472	29,428
Other	140	595
Total other non-current assets	26,612	30,023

Deferred lease incentive asset:

The deferred lease incentive asset represents lessor contributions to the cost of maintenance events during current leases. This asset is amortised over the respective lease terms and amortisation recorded as a reduction of lease rental income.

Deferred charges:

Initial direct costs associated with negotiating and arranging a lease are capitalised as deferred charges. This asset is amortised over the respective lease terms and amortisation recorded as part of general and administrative expense.

Notes to the consolidated financial statements

13. Net investment in finance lease receivable

The total net investment in finance leases included in the consolidated statement of financial position represents total lease payments receivable in relation to two aircraft as at 30 November 2016 (2015: 4 aircraft), net of finance charges related to future accounting periods. Finance charges are allocated to accounting periods so as to give a constant rate of return on the net cash investment in the lease. In addition, contingent rental received in relation to four aircraft during the year ended 30 November 2016 was USD 2.6 million (2015: USD 2.8 million).

Expected unguaranteed residual values of finance leases are based on the Group's assessment of residual values and as at 30 November 2016 were USD 0.6 million (2015: USD 0.6 million). As at 30 November 2016, the Group has no allowance for uncollectable minimum lease payments receivable (2015: nil).

In thousands of USD	2016	2015
Finance leases – gross receivables	25,430	30,110
Unearned finance income	(1,114)	(1,428)
Total non-current receivables	24,316	28,682
Finance leases – gross receivables	4,680	14,546
Unearned finance income	(314)	(384)
Total current receivables	4,366	14,162

In thousands of USD	2016	2015
Gross receivables from finance leases:		
No later than one year	4,680	14,546
Later than one year and no later than five years	17,080	15,760
Later than five years	8,350	14,350
Total gross receivables from finance leases	30,110	44,656
Unearned future finance income on finance leases	(1,428)	(1,812)
Net investment in finance leases	28,682	42,844

The net investment in finance leases is analysed as follows:

In thousands of USD	2016	2015
No later than one year	4,366	14,162
Later than one year and no later than five years	16,255	14,774
Later than five years	8,061	13,908
Net investment in finance leases	28,682	42,844

14. Trade and other receivables

In thousands of USD	2016	2015
Trade receivables	15,396	24,046
Notes and other receivables	12,228	24,902
Allowance for impairment	(6,969)	(7,766)
Net trade and other receivables	20,655	41,182

Trade receivables represent rent, maintenance and other charges related to the lease of aircraft to lessees, owing by lessees. Notes and other receivables represent mainly consumption tax receivable which the Group collects on behalf of local tax authorities.

The Group had the following activity in allowance for impairment of receivables:

In thousands of USD	
Balance at 30 November 2014	11,297
Credit for the year	(3,531)
Amounts written-off	-
Balance at 30 November 2015	7,766
Credit for the year	(797)
Amounts written-off	-
Balance at 30 November 2016	6,969

The table below presents credit and default risk relating to the Group's trade and other receivables by gross carrying amount:

In thousands of USD	Neither past due nor impaired 2016	Past due and not impaired 2016	Impaired 2016	Total 2016
Measured at amortised cost:				
Trade receivables	3,767	4,660	6,969	15,396
Other receivables	12,228	-	-	12,228
Total	15,995	4,660	6,969	27,624

IIn thousands of USD	Neither past due nor impaired 2015	Past due and not impaired 2015	Impaired 2015	Total 2015
Measured at amortised cost:				
Trade receivables	7,879	8,401	7,766	24,046
Other receivables	24,902	-	-	24,902
Total	32,781	8,401	7,766	48,948

14. Trade and other receivables (continued)

All trade receivables over 30 days are considered past due. As at 30 November 2016, of the past due and not impaired amount, USD 4.4 million is over 90 days (2015: USD 8.4 million).

The Group's most significant customer, an Asian airline, accounted for none of the receivables balances at 30 November 2016 and 30 November 2015. Another Asian airline accounted for 28% of the receivables balance at 30 November 2016 and 25% of the receivables balance at 30 November 2015.

The Group's trade receivables are secured by security deposits, letters of credits and maintenance reserves that the Group holds on behalf of its customers. See details of the Group's risk management policies in note 26.

15. Deferred tax assets and liabilities

Consolidated

Consolidated deferred tax assets and liabilities are attributable to the following:

In thousands of USD	Assets 2016	Liabilities 2016	Net 2016
Property, plant and equipment	-	(440,825)	(440,825)
Employee entitlements	1,419	-	1,419
Trade losses	282,715	-	282,715
Tax assets / (liabilities)	284,134	(440,825)	(156,691)
Set off	(284,134)	284,134	-
Net tax assets / (liabilities)	-	(156,691)	(156,691)

In thousands of USD	Assets 2015	Liabilities 2015	Net 2015
Property, plant and equipment	-	(454,574)	(454,574)
Employee entitlements	1,009	-	1,009
Interest	-	(24,726)	(24,726)
Trade losses	310,679	-	310,679
Tax assets/(liabilities)	311,688	(479,300)	(167,612)
Set off	(311,688)	311,688	-
Net tax assets/(liabilities)	-	(167,612)	(167,612)

The Group uses the balance sheet method for accounting for deferred taxes. Under the balance sheet method, deferred taxes are recognised for all temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled. The effect on deferred taxes of changes in the tax rate is recognised in the statement of profit or loss and other comprehensive income in the period that includes the enactment date.

15. Deferred tax assets and liabilities (continued)

Consolidated (continued)

The Group records a valuation allowance for deferred tax assets when the probability of realisation of the asset is less than more likely. Changes in recognition or measurement are reflected in the period in which the change in judgement occurs. In assessing the reliability of deferred tax assets, the Group considers whether it is probable that some or all of the deferred tax assets will not be realised.

All available evidence is considered and weighed to determine whether a valuation allowance is needed or should be removed. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of existing taxable temporary differences (including the impact of available carry-back and carry-forward periods), projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income, the fact that the Group has an overall net deferred tax liability as opposed to a net deferred tax asset and projections for future taxable income over periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Group will realise the benefits of these deductible differences (net of the existing valuation allowances at 30 November 2016) in the future when it realises the value from its assets and ongoing business operations. This position will continue to be closely monitored by management and assessments of realisability will be revised as appropriate based on all available evidence.

At 30 November 2016, the Group had an unrecognised deferred tax asset of USD 14.4 million primarily in respect of Irish and US tax losses (2015: USD 14.7 million). The Group is allowed to carry forward any Irish tax losses for an indefinite period to be offset against income of the same trade; while US Federal tax losses are set to expire at various dates beginning in the fiscal year 30 November 2028.

The Group files income tax returns in Ireland, the US and various states and foreign jurisdictions. The period from 30 November 2011 to 30 November 2016 remain open to examination by the Irish Revenue authorities. The period from 30 November 2013 to 30 November 2016 remain open to examination by the US Internal Revenue Service and state authorities.

Company

Deferred tax assets and liabilities are attributable to the following:

In thousands of USD	Assets 2016	Liabilities 2016	Net 2016
Imputed interest on related party loan	-	-	-
Tax assets / (liabilities)	-	-	-

In thousands of USD	Assets 2015	Liabilities 2015	Net 2015
Imputed interest on related party loan	-	-	-
Tax assets / (liabilities)	-	-	-

At 30 November 2016, the Company had no unrecognised deferred tax asset in respect of tax losses (2015: USD nil).

16. Cash and cash resources

In thousands of USD	2016	2015
Unrestricted bank balances	189,035	464,459
Cash and cash equivalents	189,035	464,459
Bank balances subject to withdrawal restrictions	140,278	164,918
Short term investment – restricted	56,679	65,709
Restricted cash	196,957	230,627

Total cash and cash resources comprise cash and cash equivalent and restricted cash.

The average effective interest rate on deposits was 0.26% (2015: 0.26%).

Cash and cash resources subject to withdrawal restrictions represent cash securing the Group's obligations under third party credit facilities. Amounts received from lessees in respect of aircraft subject to certain funding arrangements may be required to be held in segregated accounts to support, amongst other things, certain maintenance related payments including major airframe overhauls, engine overhauls, engine life limited parts replacements, auxiliary power unit overhauls and landing gear overhauls, as well as interest and principal payments on the related debt facility.

Short term investments are treasury bills and as at 30 November 2016 USD 56.7 million is subject to withdrawal restrictions (2015: USD 65.7 million).

As at 30 November 2016, USD nil is pledged as collateral to lenders under certain credit facilities (2015: USD 2.7 million).

17. Held-for-sale

At 30 November 2016 the Group had agreements for the sale of six aircraft which met the requirement to be classified as held-for-sale (2015: 50 aircraft and one on forward order).

Assets classified as held-for-sale

In thousands of USD	2016	2015
Property, plant and equipment	83,451	1,047,034
Deposit for aircraft purchases	-	47,623
Intangible assets	-	5,960
Total assets held-for-sale	83,451	1,100,617

During the year ended 30 November 2015 the Group sold two portfolios of aircraft to third party buyers. The aircraft were classified as held-for-sale from the closing date the Group entered into the arrangements, until title on the aircraft passed to the buyer. The Group continues to recognise lease rental income on these portfolios of aircraft held-for-sale, notwithstanding that the arrangements provide for the final selling price on completion of sale to be reduced by the same amount. The total amount of lease revenue recognised for these portfolios of aircraft was USD 26.9 million for the year ended 30 November 2016 (2015: USD 289.4 million).

17. Held-for-sale (continued)

Liabilities classified as held-for-sale

In thousands of USD	2016	2015
Maintenance advances and liabilities	26,608	156,646
Security deposits	1,050	28,398
Total liabilities held-for-sale	27,658	185,044

The Group agreed to sell a portfolio of aircraft on 3 March 2015. As at 30 November 2016, 84 aircraft had been sold and three aircraft not sold had been transferred back to property, plant and equipment.

In July 2015 the Group agreed to sell another portfolio of aircraft. As at 30 November 2016, 29 aircraft had been sold and one aircraft not sold was transferred back to property, plant and equipment.

18. Intangible assets and liabilities

In thousands of USD	2016	2015
Current intangible assets	11,527	15,952
Non-current intangible assets	115,663	113,805
Total intangible assets	127,190	129,757
Current intangible liabilities	1,420	1,408
Non-current intangible liabilities	1,809	3,038
Total intangible liabilities	3,229	4,446
Total net intangible assets and liabilities	123,961	125,311

The Group recognises maintenance and lease intangibles in relation to the acquisition of aircraft that were purchased on lease. These intangibles are accounted for in accordance with IAS 38 – Intangible Assets.

Lease intangibles represent the value of an acquired lease rentals above or below the market rate for leases of a similar type of aircraft, which is adjusted by the relevant credit risk associated with that lessee. Lease intangibles are amortised on a straight line basis over the remaining life of the lease.

Maintenance intangibles represent the value of the return condition of the aircraft on lease when compared to the current market value of that aircraft, adjusted for current maintenance condition. Maintenance intangibles are amortised from the period the Group begins to release maintenance advances to revenue to the end of the life of the lease, or at the end of lease, depending upon the maintenance arrangements per the underlying lease contract.

Notes to the consolidated financial statements

18. Intangible assets and liabilities (continued)

Movements

In thousands of USD	Lease intangible assets	Maintenance intangible assets	Lease intangible liabilities	Total
Cost				
Balance at 30 November 2014	61,710	100,306	(20,636)	141,380
Additions	-	15,915	(1,873)	14,042
Transfer to assets held-for-sale	(6,036)	-	-	(6,036)
Disposals	-	(5,461)	15,342	9,881
Balance at 30 November 2015	55,674	110,760	(7,167)	159,267
Additions	-	14,183	-	14,183
Disposals	(1,395)	-	-	(1,395)
Balance at 30 November 2016	54,279	124,943	(7,167)	172,055
Amortisation				
Balance at 30 November 2014	(11,121)	(8,787)	3,586	(16,322)
Amortisation for the year	(7,846)	(8,997)	1,925	(14,918)
Transfer to assets held-for-sale	74	-	-	74
Disposals	-	-	(2,790)	(2,790)
Balance at 30 November 2015	(18,893)	(17,784)	2,721	(33,956)
Amortisation for the year	(7,436)	(9,315)	1,217	(15,534)
Disposals	1,396	-	-	1,396
Balance at 30 November 2016	(24,933)	(27,099)	3,938	(48,094)
Carrying amounts				
At 30 November 2015	36,781	92,976	(4,446)	125,311
At 30 November 2016	29,346	97,844	(3,229)	123,961

The amortisation of lease intangibles is recognised in lease revenue, while the amortisation of maintenance intangibles is recognised in depreciation and amortisation. During the year ended 30 November 2016, the amortisation of lease intangibles amounted to USD 6.2 million (2015: USD 5.9 million) and the amortisation of maintenance intangibles amounted to USD 9.3 million (2015: USD 9.0 million).

19. Capital and reserves

Consolidated

Reconciliation of movement in capital and reserves

In thousands of USD	Share capital	Additional paid In capital	Capital contribution	Profit and loss reserves	Total equity
At 30 November 2014	**1,723,152**	**424,243**	**591,726**	**391,719**	**3,130,840**
Total comprehensive income for the year					
Profit for the year	-	-	-	4,308	4,308
Other comprehensive income	-	-	-	-	-
Transactions with shareholders, recorded directly in equity					
Other reserve	-	2,571	-	-	2,571
Transfer to profit and loss reserves	-	-	(571,420)	571,420	-
Dividend paid	-	-	-	(631,420)	(631,420)
Reclassification of imputed interest and share based payment reserves	-	(253,735)	(7,665)	261,400	-
At 30 November 2015	**1,723,152**	**173,079**	**12,641**	**597,427**	**2,506,299**
Total comprehensive income for the year					
Loss for the year	-	-	-	(112,699)	(112,699)
Transactions with shareholders, recorded directly in equity					
Share based payment reserve	-	-	2,618	-	2,618
Dividend paid	-	-	-	(502,084)	(502,084)
Reclassification of imputed interest and share based payment reserves	-	(173,079)	(2,227)	175,306	-
At 30 November 2016	**1,723,152**	**-**	**13,032**	**157,950**	**1,894,134**

The authorised share capital of the Company at 30 November 2016 and 30 November 2015 comprised 1,300,000,000 ordinary shares of USD 1.00 par value each and 45,888,262,735 ordinary shares of USD 0.01 par value.

The issued share capital of the Company at 30 November 2016 and 30 November 2015 comprised 1,264,269,739 ordinary shares of USD 1.00 each issued and fully paid, and 45,888,262,735 ordinary shares of USD 0.01 each issued and fully paid.

The sole shareholder has all powers and full voting rights as permitted under the applicable company laws.

The holders of ordinary shares are entitled to receive dividends as declared from time to time.

During the year ended 30 November 2016 the Group returned capital to its shareholder of USD 735.0 million (2015: USD 912.3 million) through a combination of dividend payments of USD 502.1 million (2015: USD 631.4 million) and repayment of shareholder loans of USD 232.9 million (2015: USD 280.9 million). Dividend per share during the year ended 30 November 2016 was USD 0.0106 (2015: USD 0.0134).

19. Capital and reserves

Consolidated (continued)

Capital contribution

The movement during the year ended 30 November 2016 of USD 2.6 million relates to share based payments which is dealt with in note 24. In addition, USD 2.2 million was reclassified from Capital Contribution to Profit and Loss reserves.

During the year ended 30 November 2015 the Group transferred USD 571.4 million from capital contribution to Profit and Loss reserves to facilitate returning funds to its shareholder through the payment of dividends. In addition, USD 7.7 million was reclassified from Capital Contribution to Profit and Loss reserves.

Additional paid in capital:

Movements

In thousands of USD	Amount received	Additional paid in capital	Movement		
			Loan liability	Deferred tax	Unwind of interest through APIC
Balance at 30 November 2014	513,780	424,243			
Other reserve					
- Repaid	(280,865)	2,571	(3,299)	(31,032)	-
- Reclassification of imputed interest	-	(253,735)	-	-	-
Balance at 30 November 2015	232,915	173,079			
Other reserve					
- Repaid	(232,915)	-	(2,911)	(24,582)	-
- Reclassification of imputed interest	-	(173,079)	-	-	-
Balance at 30 November 2016	-	-			

During the year ended 30 November 2016, the Group repaid certain Carmel Capital loans totalling USD 232.9 million. The difference between the amounts repaid and associated loan balances are included as accelerated interest in finance expenses totalling USD 196.7 million.

During the year ended 30 November 2015, the Group repaid certain Carmel Capital loans totalling USD 280.9 million. The difference between the amounts repaid and loan associated loan balances are included as accelerated interest in finance expenses totalling USD 249.8 million.

During the year ended 30 November 2016, the Group reclassified a portion of the Additional Paid in Capital arising on the recognition of interest free loans from Carmel Capital to Profit and Loss reserves of USD 173.1 million (2015: USD 253.7 million). The amount reclassified matched the total imputed interest recognised to date in the statement of Profit or Loss and Other Comprehensive Income in relation to these loans. This reclassification had no impact on total equity over the life of these loans. Further details included in note 24.

19. Capital and reserves (continued)

Consolidated (continued)

Capital risk management:

Historically, the Group has financed its operations through a mixture of equity and debt, comprising of lines of credit and credit facilities. The Group's third-party indebtedness decreased during the year ended 30 November 2016, to USD 5,214.8 million from USD 5,717.9 million in the previous year. The Group's total equity decreased by USD 612.2 million during the 2016 financial year to USD 1,894.1 million. The Group's Debt to Equity ratio is 2.8:1 times as of 30 November 2016 compared to 2.3:1 times as of 30 November 2015.

Company

Reconciliation of movement in capital and reserves

In thousands of USD	Share capital	Additional paid In capital	Capital contribution	Profit and loss reserves	Total equity
At 30 November 2014	**1,723,152**	**184,350**	**591,726**	**512,154**	**3,011,382**
Total comprehensive income for the year					
Profit for the year	-	-	-	56,313	56,313
Transactions with shareholders, recorded directly in equity					
Other reserve	-	1,992	-	-	1,992
Transfer to profit and loss reserves	-	-	(571,420)	571,420	-
Dividend paid	-	-	-	(631,420)	(631,420)
Reclassification of imputed interest and share based payments reserves	-	(186,342)	(7,665)	194,007	-
At 30 November 2015	**1,723,152**	**-**	**12,641**	**702,474**	**2,438,267**
Total comprehensive income for the year					
Profit for the year	-	-	-	998	998
Transactions with shareholders, recorded directly in equity					
Share based payment reserves	-	-	2,618	-	2,618
Dividend paid	-	-	-	(502,084)	(502,084)
Reclassification of imputed interest and share based payments reserves	-	-	(2,227)	2,227	-
At 30 November 2016	**1,723,152**	**-**	**13,032**	**203,615**	**1,939,799**

The authorised share capital of the Company at 30 November 2016 and 30 November 2015 comprised 1,300,000,000 ordinary shares of USD 1.00 par value each and 45,888,262,735 ordinary shares of USD 0.01 par value each.

The issued share capital of the Company at 30 November 2016 and 30 November 2015 comprised 1,264,269,739 ordinary shares of USD 1.00 each issued and fully paid, and 45,888,262,735 ordinary shares of USD 0.01 each issued and fully paid.

The sole shareholder has all powers and full voting rights as permitted under the applicable company laws.

The holders of ordinary shares are entitled to receive dividends as declared from time to time.

During the year ended 30 November 2016 the Company paid its shareholder USD 502.1 million through the payment of dividends (2015: USD 631.4 million). In addition during the year ended 30 November 2015 the Company made a repayment of shareholder loans of USD 168.6 million. Dividend per share during the year ended 30 November 2016 was USD 0.0106 (2015: USD 0.0134).

19. Capital and reserves (continued)

Company (continued)

Capital contribution:

The movement during the year ended 30 November 2016 of USD 2.6 million relates to share based payments which is dealt with in note 24. In addition, USD 2.2 million was reclassified from Capital Contribution to Profit and Loss reserves.

During the year ended 30 November 2015 the Company transferred USD 571.4 million from capital contribution to profit and loss reserves to facilitate returning funds to its shareholder through the payment of dividends. In addition, USD 7.7 million was reclassified from capital contribution to profit and loss reserves. This movement was related to share based payments as described in note 24.

Additional paid in capital

The sole shareholder has all powers and full voting rights as permitted under the applicable company laws. The movement in Additional Paid in Capital represents a contribution by Carmel Capital to the Company as a shareholder and reclassification of amounts arising on the recognition of interest free loans from the shareholder.

Movements

In thousands of USD	Amount received	Additional paid in	Movement Loan liability capital	Movement Deferred tax	Movement Unwind of interest through APIC
Balance at 30 November 2014	168,580	184,350			
Other reserve					
- Repaid	(168,580)	1,992	(2,373)	(20,099)	-
- Reclassification of imputed interest	-	(186,342)	-	-	-
Balance at 30 November 2015	-	-			
Other reserve					
- Repaid	-	-	-	-	-
- Reclassification of imputed interest	-	-	-	-	-
Balance at 30 November 2016	-	-			

During the year ended 30 November 2015, the Company repaid certain Carmel Capital loans totalling USD 168.6 million. The difference between the amounts repaid and associated loan balances are included as accelerated interest in finance expenses totalling USD 159.7 million.

During the year ended 30 November 2015, the Company reclassified a portion of the Additional Paid in Capital arising on the recognition of interest free loans from Carmel Capital to Profit and Loss Reserves of USD 186.3 million. The amount reclassified matched the total imputed interest recognised to date in the Statement of Profit or Loss and other Comprehensive Income in relation to these loans. This reclassification had no impact on total equity over the life of these loans.

20. Loans and borrowings

Consolidated

The contractual terms of the Group's interest-bearing loans and borrowings are:

In thousands of USD	2016	2015
Bank loans (repayable by instalment)		
Principal	5,197,525	5,701,439
Accrued and unpaid interest	18,063	19,198
Fair value discounts	(778)	(2,750)
Total bank loans	5,214,810	5,717,887
Debt issuance costs	(98,868)	(95,756)
Net loans and borrowings	5,115,942	5,622,131

In thousands of USD	2016	2015
Non-current liabilities		
Bank loans	4,533,246	4,230,983
Debt issuance costs	(77,738)	(71,561)
Non-current loans and borrowings	4,455,508	4,159,422
Current liabilities		
Current portion of bank loans	681,564	1,486,904
Debt issuance costs	(21,130)	(24,195)
Current loans and borrowings	660,434	1,462,709

Amortisation of debt issuance costs included in finance expense was USD 21.1 million (2015: USD 66.6 million) during the year ended 30 November 2016. Amortisation during the year ended 30 November 2016, also includes a charge of USD 6.3 million predominantly relating to early repayment fees on the loans associated with a portfolio of aircraft sold to a third party. Amortisation during the year ended 30 November 2015, also includes a charge of USD 38.3 million relating to acceleration of financing fee amortisation and USD 21.9 million predominantly relating to early repayment fees on the loans associated with a portfolio of aircraft sold to a third party. The unamortised debt issuance costs amortise over the remaining term of the related borrowings.

Movements

In thousands of USD	Total
Balance at 30 November 2014	7,271,585
Advanced during the year	1,982,866
Amortisation of fair value discounts	3,727
Interest accrued but not paid	(6,099)
Repayment during the year	(3,534,192)
Balance at 30 November 2015	5,717,887
Advanced during the year	1,330,344
Amortisation of fair value discounts	1,972
Interest accrued but not paid	(1,135)
Repayment during the year	(1,834,258)
Balance at 30 November 2016	5,214,810

20. Loans and borrowings (continued)

Consolidated (continued)

Terms and conditions of outstanding loans before impact of derivatives at 30 November 2016 were as follows:

In thousands of USD	Average nominal interest rate	Year of maturity	2016
Floating rate loans:	%		
Non-recourse obligations	3.10	2017-2026	636,248
Recourse	2.97	2019-2028	712,233
Unsecured facility	LIBOR +2.20	2018	25,073
Term Loan 2012	LIBOR (floor 0.75) +2.75	2018	224,418
Term Loan 2010	LIBOR (floor 0.75) +3.25	2018	217,749
Revolving Credit Facility	LIBOR +2.25	2019	175,440
Revolving Credit Facility 2015	LIBOR +2.15	2018-2019	100,025
Ex-Im / ECA	1.76	2023-2025	255,196
Fixed rate loans:			
Non-recourse obligations	4.36	2017-2028	1,421,257
Recourse obligations	3.87	2019-2027	741,956
Term Loan 2014	4.87	2021	303,190
Ex-Im / ECA	2.60	2019-2026	402,025
Total interest bearing liabilities			5,214,810

Terms and conditions of outstanding loans before impact of derivatives at 30 November 2015 were as follows:

In thousands of USD	Average nominal interest rate	Year of maturity	2015
Floating rate loans:	%		
Non-recourse obligations	2.58	2016-2026	714,040
Recourse	2.62	2016-2026	580,391
Term Loan 2012	LIBOR (floor 0.75) +2.75	2018	243,917
Term Loan 2010	LIBOR (floor 0.75) +2.75	2016	308,332
Revolving Credit Facility	LIBOR +2.25	2017	175,174
Revolving Credit Facility 2015	LIBOR +2.15	2018	100,078
Ex-Im / ECA	1.19	2023-2025	314,754
Fixed rate loans:			
Non-recourse obligations	4.40	2015-2026	1,757,716
Recourse obligations	4.07	2016-2026	543,816
Senior Secured Notes	7.00	2016	125,519
Term Loan 2014	4.87	2021	327,869
Ex-Im / ECA	2.71	2016-2026	526,281
Total interest bearing liabilities			5,717,887

20. Loans and borrowings (continued)

Consolidated (continued)

Number of aircraft used as collateral for the following facilities

	2016	2015
Facility:		
Non-recourse obligations	90	99
Recourse	41	31
Term Loan 2014	10	10
Term Loan 2012	11	11
Term Loan 2010	17	24
Ex-Im / ECA	24	29
Senior Secured Notes	-	15
Total	193	219

In addition to the number of aircraft above, 21 aircraft (2015: 38 aircraft) were unencumbered.

All these facilities contain various customary financial and non-financial loan covenants including:

- Financial information obligations;
- Limitations on activities which would negatively impact concentration limits such as regional location of lessees and types of aircraft in the portfolio; and
- Loan to value maintenance ratio covenant.

The aggregate principal repayment amounts of loans for each of the financial years subsequent to 30 November 2016 are disclosed in note 26.

In thousands of USD	Principal cash flows		Contractual cash flow*	
	2016	2015	2016	2015
Due within one year	669,708	1,246,175	853,643	1,432,031
Due between one and five years	3,239,933	2,995,327	3,600,371	3,370,608
Due after five years	1,287,884	1,459,937	1,416,295	1,571,139
Total	5,197,525	5,701,439	5,870,309	6,373,778

*Contractual cash flows include both scheduled payments of principal and interest after the impact of derivatives.

Non-recourse obligations

As of 30 November 2016, 90 aircraft (2015: 99 aircraft) were being financed by 31 commercial banks (2015: 33 banks), on a non-recourse basis. All of the loans contain provisions that require the payment of principal and interest throughout the terms of the loans. The interest rates on the loans are based on fixed rates of between 1.33% and 7.45% and 1, 3 or 6 month LIBOR plus margins ranging from 55 bps to 375 bps on the floating rate loans.

20. Loans and borrowings (continued)

Consolidated (continued)

Recourse obligations

As of 30 November 2016, 41 aircraft (2015: 31 aircraft) were being financed by 22 commercial banks and one insurance company (2015: 18 banks and 1 insurance company), on a full recourse basis. The loans amortise over their lives of between 2.4 and 11.5 years remaining and bear interest at a fixed rate between 2.59% and 5.59%, or 1, 3 or 6 month LIBOR plus margins ranging from 160 bps to 311 bps on the floating rate loans.

Term Loan 2014

In October 2014, the Group entered into a USD 350.0 million Term Loan Credit Agreement which carries a fixed rate of interest of 4.87% and matures in 2021. The Term Loan 2014 requires periodic payment of principal plus interest and amortises to a bullet repayment in October 2021. As of 30 November 2016, 10 aircraft were being financed with the proceeds of Term Loan 2014 (2015: 10 aircraft).

Term Loan 2012

In July 2012, the Group entered into a USD 360.0 million Term Loan Credit Agreement. The Term Loan 2012 requires periodic payment of principal plus interest and amortises to a bullet repayment in July 2018.

The Term Loan 2012 accrues interest at a rate of 3 month LIBOR plus a margin of 2.75%, with a LIBOR floor of 0.75%. As of 30 November 2016, 11 aircraft were being financed with the proceeds of Term Loan 2012 (2015: 11).

Term Loan 2010

In June 2010 the Group entered into a USD 530.0 million Term Loan Credit Agreement. The Term Loan was extended in March 2016. The Term Loan requires periodic payment of principal plus interest and amortises to a bullet repayment in June 2018.

The Term Loan accrues interest at a rate of 3 month LIBOR plus a margin of 3.25%, with a LIBOR floor of 0.75%. At 30 November 2016, 17 aircraft (2015: 24 aircraft) were being financed with the proceeds of Term Loan 2010.

20. Loans and borrowings (continued)

Consolidated (continued)

Ex-Im Bank and ECA backed facilities

As of 30 November 2016, 8 aircraft (2015: 12 aircraft) were being financed with the proceeds of loans guaranteed by the Ex-Im Bank on standard export credit agency supported financing terms whereby the subject loans are amortised monthly or quarterly over a period of up to 8.2 years remaining to maturity, with interest accruing at fixed rates of between 1.28% and 2.81%, and floating rates of 3 month LIBOR plus margins up to 40 bps.

As of 30 November 2016, 16 aircraft (2015: 17 aircraft) were being financed with the proceeds of a loan guaranteed by one of the ECA's, on standard export agency supported financing terms whereby the subject loan is amortised quarterly over a period of up to 9 years remaining to maturity, with interest accruing at fixed rates between 2.52% and 3.38%, and floating rates of 3 month LIBOR plus a margin ranging from 67.5bps to 115 bps. The Ex-Im and ECA loan documentation contain covenants and events of default customary for export credit agency supported financings.

Revolving Credit Facility 2015

In April 2015, the Group entered into a USD 100.0 million full recourse unsecured revolving credit facility (the "Revolving Credit Facility 2015"), which can be drawn within a three year period from its effective date. The Revolving Credit Facility accrues interest at LIBOR plus applicable rate, which is determined using the Group's current credit rating. The facility matures in April 2018 but USD 60.0 million was extended in 2016 and matures in April 2019. As at 30 November 2016 the interest rate was LIBOR plus 2.15% and USD 100.0 million (2015: USD 100.0 million) was drawn from this facility.

Revolving Credit Facility

In April 2014, the Group entered into a USD 435.0 million full recourse unsecured revolving credit facility (the "Revolving Credit Facility"), which can be drawn within a three year period from its effective date. The Revolving Credit Facility accrues interest at LIBOR plus applicable rate, which is determined using the Group's current credit rating. The facility was extended in 2016 and matures in April 2019. As at 30 November 2016 the interest rate was LIBOR plus 2.25% and USD 175.0 million (2015: USD 175.0 million) was drawn from this facility.

Notes to the consolidated financial statements

20. Loans and borrowings (continued)

Company

The contractual terms of the Company's interest-bearing loans and borrowings are:

In thousands of USD	**2016**	**2015**
Bank loans (repayable by instalment)		
Principal	25,000	148,900
Accrued and unpaid interest	73	1,621
Total bank loans	25,073	150,521
Debt issuance costs	(511)	(1,416)
Net loans and borrowings	24,562	149,105

In thousands of USD	**2016**	**2015**
Non-current liabilities		
Bank loans	25,000	-
Debt issuance costs	(102)	-
Non-current loans and borrowings	24,898	-
Current liabilities		
Current portion of bank loans	-	150,521
Debt issuance costs	(336)	(1,416)
Current loans and borrowings	(336)	149,105

Amortisation of debt issuance costs was USD 1.6 million during the year ended 30 November 2016 (2015: USD 1.8 million). The unamortised debt issuance costs at 30 November 2016 amortise over the term of the related borrowing, which matures on January 2018.

Movements

In thousands of USD	**Total**
Balance at 30 November 2014	397,946
Interest accrued and paid	(1,725)
Repayment during the year	(245,700)
Balance at 30 November 2015	150,521
Advanced during the year	25,000
Interest accrued and paid	(1,548)
Repayment during the year	(148,900)
Balance at 30 November 2016	25,073

20. Loans and borrowings (continued)

Company (continued)

The aggregate principal repayment amounts of loans for each of the fiscal years subsequent to 30 November 2016 is as follows:

In thousands of USD	Principal cash flows		Contractual cash flow*	
	2016	**2015**	**2016**	**2015**
Due within one year	-	148,900	788	149,989
Due between one and five years	25,000	-	25,195	-
Due after five years	-	-	-	-
Total	25,000	148,900	25,983	149,989

*Contractual cashflows include both scheduled payments of principal and interest.

21. Maintenance advances and liabilities

In thousands of USD	**2016**	**2015**
Long term maintenance reserves	666,782	630,685
Current maintenance reserves	151,148	87,865
Total maintenance advances and liabilities	817,930	718,550

In thousands of USD	**Balance at 30 November 2015**	**Additions**	**Releases/ drawdowns**	**Balance at 30 November 2016**
Maintenance advances	584,576	299,021	(189,506)*	694,091
Lessor contributions	111,323	22,826	(28,758)*	105,391
Repossessions provisions	7,556	6,529	(5,223)	8,862
Re-lease provisions	3,937	5,592	(5,840)	3,689
Heavy maintenance	11,158	9,047	(14,308)	5,897
Total	718,550	343,015	(243,635)	817,930

*Including USD 26.6 million transferred to liabilities held-for-sale.

In thousands of USD	**Balance at 30 November 2014**	**Additions**	**Releases/ drawdowns**	**Balance at 30 November 2015**
Maintenance advances	673,078	293,022	(381,524)*	584,576
Lessor contributions	128,315	42,649	(59,641)*	111,323
Repossessions provisions	4,518	15,398	(12,360)*	7,556
Re-lease provisions	5,545	12,587	(14,195)*	3,937
Heavy maintenance	6,908	22,942	(18,692)*	11,158
Total	818,364	386,598	(486,412)	718,550

*Including USD 156.6 million transferred to liabilities held-for-sale.

22. Trade and other payables

In thousands of USD	**2016**	**2015**
Employee benefits	12,737	32,603
Deferred lease revenue	52,385	62,559
Deposits held	13,225	6,847
Other liabilities and accruals	29,536	25,775
Total current trade and other payables	107,883	127,784

In thousands of USD	**2016**	**2015**
Employee benefits	13,201	11,000
Deposits held	138,798	130,949
Total non-current trade and other payables	151,999	141,949

Deposits held

Deposits held relate to cash security received with respect to 147 aircraft and one spare engine (2015: 134 aircraft and 1 spare engine). In addition, the Group holds security on lease obligations in the form of letters of credit in the amount of USD 131.6 million as of 30 November 2016 (2015: USD 120.2 million). Security deposits are refundable at the end of the contract lease period after all lease obligations have been met by the lessee.

Employee benefits

Total employee benefits as at 30 November 2016 were USD 25.9 million (2015: USD 43.6 million). As of 30 November 2016, USD 11.0 million was related to annual bonus accrual (2015: USD 12.2 million). In addition, employee benefits relating to key management personnel, included in total employees benefits, are set out in further detail in note 24 (b).

23. Financial instruments and financial risk management

Consolidated

The Group utilises financial instruments to reduce exposures to market risks throughout its business. Equity, borrowings and cash and cash resources are used to finance the Group's operations. Derivative financial instruments are contractual agreements with a value which reflects price movements in an underlying variable. The Group uses derivative financial instruments, principally interest rate swaps and caps, to manage interest rate risks and achieve the desired profile of borrowings.

The main risks attaching to the Group's financial instruments are disclosed in note 26.

23. Financial instruments and financial risk management (continued)

Consolidated (continued)

a) Fair value of financial assets and liabilities

The carrying value and fair value of the Group's financial assets and liabilities by class and category were as follows:

In thousands of USD	Instruments at fair value through profit and loss 2016	Loans & receivables and other financial liabilities 2016	Carrying amount 2016	Fair value 2016
Cash and cash equivalents*	-	189,035	189,035	-
Restricted cash*	-	196,957	196,957	-
Derivative financial assets	3,617	-	3,617	3,617
Trade and other receivables*	-	20,655	20,655	-
Finance lease receivable	-	28,682	28,682	28,682
Financial assets 2016	3,617	435,329	438,946	32,299
External borrowings	-	5,115,942	5,115,942	5,141,974
Derivative financial liabilities	5,519	-	5,519	5,519
Financial liabilities 2016	5,519	5,115,942	5,121,461	5,147,493

* The Group has not disclosed the fair value of certain financial instruments because their carrying amounts are a reasonable approximation of fair values due to their short term or on demand nature.

In thousands of USD	Instruments at fair value through profit and loss 2015	Loans & receivables and other financial liabilities 2015	Carrying amount 2015	Fair value 2015
Cash and cash equivalents*	-	464,459	464,459	-
Restricted cash*	-	230,627	230,627	-
Derivative financial assets	100	-	100	100
Trade and other receivables*	-	41,182	41,182	-
Finance lease receivable	-	42,844	42,844	42,844
Loan to shareholder	-	6,257	6,257	6,257
Financial assets 2015	100	785,369	785,469	49,201
External borrowings	-	5,622,131	5,622,131	5,699,901
Borrowings from shareholder	-	35,111	35,111	63,980
Derivative financial liabilities	9,316	-	9,316	9,316
Financial liabilities 2015	9,316	5,657,242	5,666,558	5,773,197

* The Group has not disclosed the fair value of certain financial instruments because their carrying amounts are a reasonable approximation of fair values due to their short term or on demand nature.

Notes to the consolidated financial statements

23. Financial instruments and financial risk management (continued)

Consolidated (continued)

b) Fair value hierarchy

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 November 2016 and 30 November 2015. Derivative financial assets and liabilities are carried in the statement of financial position at fair value, all others are carried at amortised cost.

In thousands of USD	Fair value	Fair value level		
	2016	Level 1	Level 2	Level 3
Derivative financial assets	3,617	-	3,617	-
Finance lease receivable	28,682	-	28,682	-
Financial assets 2016	32,299	-	32,299	-
External borrowings	5,141,974	-	5,141,974	-
Derivative financial liabilities	5,519	-	5,519	-
Financial liabilities 2016	5,147,493	-	5,147,493	-

In thousands of USD	Fair value	Fair value level		
	2015	Level 1	Level 2	Level 3
Derivative financial assets	100	-	100	-
Finance lease receivable	42,844	-	42,844	-
Loan to shareholder	6,257	-	6,257	-
Financial assets 2015	49,201	-	49,201	-
External borrowings	5,699,901	-	5,699,901	-
Borrowings from shareholder	63,980	-	63,980	-
Derivative financial liabilities	9,316	-	9,316	-
Financial liabilities 2015	5,773,197	-	5,773,197	-

There were no transfers between levels during the years. As disclosed in note 23 (a), the fair value and fair value hierarchy has not been disclosed for certain financial instruments due to their short term or on demand nature.

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

23. Financial instruments and financial risk management (continued)

Consolidated (continued)

b) Fair value hierarchy (continued)

Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The Group's valuation technique is discounted cashflows using market rates allowing for credit risk and broker quotes for derivatives.

c) Derivative financial instruments

The objective of the Group's interest rate risk management policy is to adopt a risk averse position with respect to changes in interest rates and to match, when feasible, lease income subject to fixed / variable rates to loan financing.

Accordingly, the Group employs derivative financial instruments, principally interest rate swap and cap contracts, to hedge the current and expected future interest rate payments on the Group's variable rate debt. Interest rate swaps are agreements in which a series of interest rate flows are exchanged with a third party over a prescribed period. The notional amount on a swap is not exchanged. Under the swap transactions the Group makes fixed rate payments and receives floating rate payments to convert the floating rate borrowings to fixed rate obligations to better match the largely fixed rate cash flows from the leasing of aircraft.

An interest rate cap is designed to hedge a company's maximum exposure to upward interest movements. It establishes a maximum total dollar interest amount that will be paid out over the life of the cap. The Group pays an initial premium and will receive payments each settlement period in which the interest rate exceeds the strike price.

The counterparties to these agreements are highly rated financial institutions. In the event that the counterparties fail to meet the terms of the interest rate swap contracts, the Group's exposure is limited to the interest rate differential on the notional amount at each settlement period over the life of the agreements. The Group does not anticipate any non-performance by the counterparties.

During the year ended 30 November 2016, the change in the fair value of the swaps recorded in finance expense was a USD 7.4 million gain (2015: USD 2.7 million loss). The net fair value liability of the interest rate swaps at 30 November 2016 was based on broker quotes and was a liability of USD 1.9 million (2015: USD 9.3 million). The change in fair value of the cap recorded as a finance expense was USD 0.1 million loss (2015: USD 0.7 million loss). The fair value of the interest rate cap at 30 November 2016 was based on observable market prices and was USD nil (2015: USD 0.1 million).

All of the Company's derivatives are carried at fair value and are classified as Level 2.

Notes to the consolidated financial statements

23. Financial instruments and financial risk management (continued)

Consolidated (continued)

c) Derivative financial instruments (continued)

As at 30 November 2016 the Group had the following derivatives:

Derivative Type	Notional amount *In millions of USD*	Pay	Receive	Maturity
Swap:				
	40.0	0.72% – 0.98%	USD LIBOR	2017
	49.3	0.95% – 1.30%	USD LIBOR	2018
	22.2	0.90% – 1.38%	USD LIBOR	2020
	28.6	1.98%	USD LIBOR	2021
	52.9	2.01% – 2.85%	USD LIBOR	2023
	173.5	1.50% – 1.97%	USD LIBOR	2024
	61.8	2.39% – 2.62%	USD LIBOR	2025
	68.5	1.31% – 2.34%	USD LIBOR	2026
	33.2	1.69%	USD LIBOR	2028
Cap:				
	171.0	1.75% Strike Price	-	2017
	166.1	1.03% Strike Price	-	2018

As at 30 November 2015 the Group had the following derivatives:

Derivative Type	Notional amount *In millions of USD*	Pay	Receive	Maturity
	Swap:			
	44.2	1.78%	USD LIBOR	2016
	46.9	2.82% – 4.08%	USD LIBOR	2017
	56.6	0.95% – 1.30%	USD LIBOR	2018
	24.6	3.30% – 5.13%	USD LIBOR	2020
	30.9	1.98%	USD LIBOR	2021
	15.0	1.89%	USD LIBOR	2022
	57.5	2.01% – 5.65%	USD LIBOR	2023
	27.8	2.21% – 2.92%	USD LIBOR	2024
	36.0	2.39%	USD LIBOR	2025
	35.8	2.34%	USD LIBOR	2026
Cap:				
	44.2	2.00% Strike Price		2016
	185.0	1.75% Strike Price		2017

23. Financial instruments and financial risk management (continued)

Company

a) Fair value of financial assets and liabilities

The Company utilises financial instruments to reduce exposures to market risks throughout its business. Borrowings and cash and cash equivalents are used to finance the Company's operations.

The carrying value and fair value of the Company's financial assets and liabilities by class and category were as follows:

In thousands of USD	**Instruments at fair value through profit and loss 2016**	**Loans & receivables and other financial liabilities 2016**	**Carrying amount 2016**	**Fair value 2016**
Cash and cash equivalents*	-	167,105	167,105	-
Loans to related parties	-	61,833	61,833	61,833
Receivables from related parties*	-	1,235,375	1,235,375	-
Financial assets 2016	-	1,464,313	1,464,313	61,833
External borrowings	-	24,562	24,562	24,562
Payable to related parties*	-	1,542,756	1,542,756	-
Financial liabilities 2016	-	1,567,318	1,567,318	24,562

In thousands of USD	**Instruments at fair value through profit and loss 2015**	**Loans & receivables and other financial liabilities 2015**	**Carrying amount 2015**	**Fair value 2015**
Cash and cash equivalents*	-	418,084	418,084	-
Loans to related parties	-	653,171	653,171	659,087
Loan to shareholder	-	6,257	6,257	6,257
Receivables from related parties*	-	454,905	454,905	-
Financial assets 2015	-	1,532,417	1,532,417	665,344
External borrowings	-	149,105	149,105	155,021
Payable to related parties*	-	1,330,615	1,330,615	-
Financial liabilities 2015	-	1,479,720	1,479,720	155,021

*The Company has not disclosed the fair value of certain financial instruments because their carrying amounts are a reasonable approximation of fair values due to their short term or on demand nature.

Notes to the consolidated financial statements

23. Financial instruments and financial risk management (continued)

Company

b) Fair value hierarchy

The following table presents the Company's financial assets and liabilities and the associated fair value at 30 November 2016 and 30 November 2015. Derivative financial assets and liabilities are carried in the statement of financial position at fair value, all others are carried at amortised cost.

In thousands of USD	**Fair value**	**Fair value level**		
	2016	**Level 1**	**Level 2**	**Level 3**
Loans to related parties	61,833	-	61,833	-
Financial assets 2016	61,833	-	61,833	-
External borrowings	24,562	-	24,562	-
Financial liabilities 2016	24,562	-	24,562	-

In thousands of USD	**Fair value**	**Fair value level**		
	2015	**Level 1**	**Level 2**	**Level 3**
Loans to related parties	659,087	-	659,087	-
Loan to shareholder	6,257	-	6,257	-
Financial assets 2015	665,344	-	665,344	-
External borrowings	155,021	-	155,021	-
Financial liabilities 2015	155,021	-	155,021	-

There were no transfers between levels during the years. As disclosed in note 23 (a), the fair value and fair value hierarchy has not been disclosed for certain financial instruments due to their short term or on demand nature.

Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The Company's valuation technique is discounted cashflows using market rates allowing for credit risk.

24. Related party transactions

Significant subsidiaries and registered offices	Shareholding	Country of incorporation
AWAS Aviation Acquisitions Limited*	100%	Ireland
AWAS Aviation Trading Designated Activity Company**	100%	Ireland
AWAS Aviation Investments Limited **	100%	Ireland
AWAS (Ireland) Limited ***	100%	Ireland
70 Sir John Rogerson's Quay, Dublin 2, Ireland		
AWAS Consolidated Holdings Limited	100%	Cayman Islands
AWAS Aviation Holdings Limited**	100%	Cayman Islands
190 Elgin Avenue, George Town		
Grand Cayman, KY1-9005, Cayman Islands		
AWAS Finance Luxembourg 2015 S.A****	100%	Luxembourg
AWAS Finance Luxembourg 2014 S.A****	100%	Luxembourg
AWAS Finance Luxembourg 2012 S.A****	100%	Luxembourg
AWAS Finance Luxembourg S.A*****	100%	Luxembourg
Rue Eugène Ruppert 19, L-2453 Luxembourg		

* – shareholdings held via AWAS Aviation Investments Limited

** – shareholding held via AWAS Consolidated Holdings Limited

*** – shareholding held via AWAS Aviation Acquisitions Limited

**** – shareholdings held via AWAS Aviation Trading DAC

***** – shareholdings held via AWAS Aviation Holdings Limited

The principal activity of the above entities is the sale and leasing of aircraft and provision of administrative services to related parties.

Information related to all other subsidiary entities will be filed with the Company's annual return as provided for by Section 316 (1) of the Companies Act 2014. No subsidiaries are excluded from consolidation.

As these financial statements are the first audited financial statements of the Group for the year ended 30 November 2016 it is not possible to disclose any information regarding the audit opinions of the Group's subsidiaries.

24. Related party transactions (continued)

Consolidated

Our shareholder is Carmel Capital SARL, which is owned by investment funds managed by Terra Firma Investments (GP) 2 Limited and Terra Firma Investments (GP) 3 Limited, and by CPPIB. The Group consider Terra Firma Holdings Limited; a Guernsey registered company, to be the ultimate parent company and Mr Guy Hands to be the ultimate controlling party.

a) Balances with shareholders (repayable other than by instalment)

Liabilities

In thousands of USD	2016	2015
Proceeds initially recognised as a liability	-	2,911
Accreted and unpaid interest	-	32,200
Total loans from shareholders	-	35,111

Non-current liabilities

Related party loan	-	35,111

Movements

In thousands of USD	Total
Balance at 30 November 2014	60,404
Advanced during the year	-
Interest accrued but not paid	8,312
Repayment during the year	(33,605)
Balance at 30 November 2015	35,111
Advanced during the year	-
Interest accrued but not paid	1,150
Repayment during the year	(36,261)
Balance at 30 November 2016	-

During the year ended 30 November 2016, the Group repaid the remaining Carmel Capital loans totalling USD 232.9 million. The difference between the amounts repaid and loan associated balances are included as accelerated interest in finance expenses totalling USD 196.7 million.

Assets

In thousands of USD	2016	2015
Principal	-	5,340
Accrued and unpaid interest	-	917
Total loans to shareholders	-	6,257

During the year ended 30 November 2016, Carmel Capital SARL repaid in full to the Company interest bearing loans totalling USD 6.3 million.

24. Related party transactions (continued)

Consolidated (continued)

a) Borrowings from shareholders (repayable other than by instalment) (continued)

Terms and conditions of outstanding loans at 30 November 2016 were as follows:

In thousands of USD	Amount repayable on maturity	Year of maturity	Carrying value at 30 November 2016
Carmel Capital Loan – AAIL	-	-	-
Total	-	-	-

Terms and conditions of outstanding loans at 30 November 2015 were as follows:

In thousands of USD	Amount repayable on maturity	Year of maturity	Carrying value at 30 November 2015
Carmel Capital Loan – AAIL	232,916*	2058	35,111
Total	232,916		35,111

*Deferred tax liability of USD 24.7 million and additional paid in capital of USD 173.1 million related to this loan are disclosed in notes 15 and 19 respectively.

The loans above were interest free and have no scheduled repayment due until the year of maturity, when the entire principal balance outstanding is due and payable. Early repayments are permitted. Interest has been imputed on these loans at a rate of 9.16% and is recorded as accrued and unpaid interest.

b) Remuneration of key management personnel

Certain key management personnel have entered into incentive arrangements (the "original Incentive Scheme") with the Group, which have been accounted for under IFRS 2 "Share Based Payment". Members of the Incentive Schemes were awarded share appreciation rights based upon the fair value of the Group at the commencement date (the "Initial Valuation"). One additional incentive scheme was setup during 2016 and one new member was added to the new Incentive scheme.

Benefits under the original incentive scheme are payable 60 days following one of a number of specified trigger events, comprising the earlier of a disposal of the Group by the shareholder or a long-stop date (as defined in the terms of the original Incentive Scheme). Amounts recognised in the financial statements are determined with reference to a notional profit or loss, calculated in accordance with a predetermined methodology, representing the increase or decrease in the value of the Group at year end compared with the Initial Valuation. The original Incentive Scheme incorporates additional rewards based upon the Group achieving a target compound growth rate between the Initial Valuation and the occurrence of a specified trigger event. The assumed expected term used in estimating the Initial Valuation of the original Incentive Scheme is four years. The original Incentive Scheme is accounted for as an equity-settled share-based payment and the fair value of the equity instruments granted is estimated at inception using the expected ultimate cost to the shareholder.

24. Related party transactions (continued)

Consolidated (continued)

b) Remuneration of key management personnel

During the year ended 30 November 2016, a payment of USD 2.2 million was made to members of the original Incentive Scheme. Also during the year two members left the original Incentive Scheme (2015: two members left). The assumptions used in the Initial Valuation have changed and the vesting period of the original scheme is now complete. The adjustments required to reflect the above movements resulted in a change to capital contribution with a corresponding amount offset in equity.

The new Incentive Scheme benefits are partially payable 30 days after an exit event with the remainder payable one year after the exit event. An exit event is determined as a sale of the business or a qualifying floatation. The calculation methodology is based on a cash on cash return multiple ranging from 1.5 – 1.7 times cash invested. In determining the value of the scheme, which is based on a price to book value. The assumed expected term used in estimating the fair value of the new Incentive Scheme is three years. Service and non-market conditions attached to the arrangement were not taken into account in measuring fair value. Dividends paid to date since the Initial Valuation have been included within the price to book value used to determine the fair value, no future dividend payments were assumed. No additional features were included within the fair value determination.

USD 2.6 million has been recognised as an expense during the year in respect of the new Incentive Scheme.

As members of the Incentive Schemes are paid their entitlements directly by the Shareholder, the corresponding entry to the expense is recognised as a capital contribution through equity in the consolidated statement of financial position.

In addition, certain key management personnel are members of bonus plans (the "Bonus Plans"), which have been accounted for under IAS 19 "Employee Benefits". Payments are calculated based on a percentage of the executive's total compensation and / or a percentage of target bonus and are payable within 30 days following one of a number of specified trigger events, comprising the earlier of a disposal of the Group by the shareholder or a long stop date (as defined in the terms of the Bonus Plan). A discount rate of 5.3% is applied for 2016 (2015: 5.3%). During the year ended 30 November 2015 one of the bonus plans vested and a payment was made to the members of the scheme.

In addition, certain key management personnel were members of a Short Term Management Incentive Scheme which have been accounted for under IAS 19 "Employee Benefits". Payments were payable at 31 December 2015.

The expected total costs of the Incentive Schemes and the Bonus Plans are accrued over a number of years to the earliest expected trigger event that has been assumed to be the most likely to occur. In each case, the expense recognised during the year ended 30 November 2016, represents the current portion of the expected total cost to the Group.

During the year ended 30 November 2016, four members of key management personnel left the business and were entitled to a payment which had to be accounted for under IAS 24. The total amount of the payment was USD 2.5 million.

24. Related party transactions (continued)

Consolidated (continued)

b) Remuneration of key management personnel (continued)

The remuneration of the key management personnel of the Group, which includes Directors and certain members of the management team, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures and IFRS 2 Share Based Payment.

In thousands of USD	**2016**	**2015**
Short term employee benefits	-	18,422
Long term employment benefits	4,201	6,405
Share based payments	2,618	-
Total expenses	6,819	24,827

Short term employee benefits include contracted payments to key management personnel to fund private pension plans. The Group does not provide any pension benefits for key management personnel. The carrying amount of liabilities in relation to the incentive and bonus plans for key management personnel is set out below in accordance with IAS 24 Related Party Disclosures and IFRS 2 Share Based Payment.

In thousands of USD	**2016**	**2015**
Short term employee benefits	-	18,422
Long term employment benefits	13,201	11,000
Total liabilities	13,201	29,422

In thousands of USD	**2016**	**2015**
Share based payments	8,989	8,599
Total equity	8,989	8,599

As at 30 November 2016 there are three directors to whom retirement benefits are accruing under such schemes in respect of qualifying services relating to defined contribution schemes (2015: 4).

c) Other

There were no transactions, and there are no outstanding balances, relating to key management personnel and / or entities over which they have control or significant influence.

d) Investment with unconsolidated structured entities

Following the sale of 29 aircraft to Diamond Head Aviation 2015 Limited, the Group continues to act as servicer of the portfolio and will receive a servicer fee in respect of this. The Group concluded, under IFRS 10 – Consolidated Financial Statements, that it is not exposed to the variability of returns from Diamond Head Aviation 2015 Limited and does not have the ability to affect these returns, and therefore it is an unconsolidated structured entity. Diamond Head Aviation 2015 Limited is not consolidated. The Group is not exposed to any risks as a result of its role as a services other than credit risk associated with collectability of servicer fees.

24. Related party transactions (continued)

Company

Our shareholder is Carmel Capital SARL, which is owned by investment funds managed by Terra Firma Investments (GP) 2 Limited and Terra Firma Investments (GP) 3 Limited, and by CPPIB. The Group consider Terra Firma Holdings Limited; a Guernsey registered company, to be the ultimate parent company and Mr Guy Hands to be the ultimate controlling party.

a) Transactions with subsidiairies

	Notes	**Investments in subsidiary undertakings**	**Loans to related parties**	**Receivables from related parties**	**Payable to related parties**
At 30 November 2014		2,387,287	1,332,501	365,597	(871,944)
Net movement in interest accrued		-	40,371	-	-
Repayments		-	(719,701)	-	-
Net advances / (drawdowns)		-	-	89,308	(458,671)
At 30 November 2015		2,387,287	653,171	454,905	(1,330,615)
Additional contribution	(i)	2,618	-	-	-
Net advances / (drawdowns)		-	-	206,721	(212,141)
Net movement in interest accrued		-	2,756	-	-
Repayments	(ii)	-	(140,030)	-	-
Drawdowns	(iii)		6,600		
Transfer between items	(iv)	(113,085)	(460,664)	573,749	-
Returned	(v)	(233,977)	-	-	-
At 30 November 2016		2,042,843	61,833	1,235,375	(1,542,756)

(i) An additional increase of USD 2.6 million is related to share based payments. Further details set out in note 24(b).

(ii) Repayment of USD 140.0 million of intercompany interest bearing loan by ACHL.

(iii) During the year ended 30 November 2016, the Company, acting as a lender, entered into an intercompany interest bearing loan with Petrusse Aviation SARL. The amount lent under the agreement was USD 6.6 million and loan maturity is 2020. Interest rate is fixed at 2.85%. Interest accrued as at 30 November 2016 was USD 0.2 million.

(iv) During the year ended 30 November 2016, the Company re-organised the holdings of certain of its indirectly held investments in subsidiary undertakings. As part of this re-organisation the Company advanced amounts to certain indirectly wholly-owned subsidiary undertakings to acquire the shares in other group undertakings. The amounts advanced totalling USD 573.8 million were used to repay certain existing loans advanced to other subsidiary undertakings totalling USD 460.7 million. As the loans advanced exceeded the amounts due under existing loans, the surplus amounts were returned to the Company and have been treated as a return of capital and recorded as a transfer between shares in group undertakings and receivables from group undertakings.

(v) During the year ended 30 November 2016, the Company received USD 200.0 million in dividends from its subsidiary undertaking. Additionally, as part of the liquidation of certain entities the Company was released from its obligations in respect of certain payables to group undertakings totalling USD 34.0 million which has been reflected as a return of capital previously invested in those undertakings.

24. Related party transactions (continued)

Company (continued)

a) Transactions with subsidiairies (continued)

Investments in subsidiaries comprise shares at cost less impairment charges in the following entities:

In thousands of USD	**2016**	**2015**
AWAS Acquisitions LLC.	-	533,959
AWAS Consolidated Holdings Limited	2,042,843	1,853,328
Total	2,042,843	2,387,287

The Directors periodically review the carrying values of investments in subsidiaries without formally revaluing them. In performing this review the Directors take account of, inter alia, the trading performance, net worth of individual subsidiaries and impairment trigger events. During year ended 30 November 2016 no impairment trigger was identified (2015: none). In the opinion of the directors the share in and loans to the Company's subsidiary undertakings are worth at least the amounts at which there are stated in the statement of financial position.

During the year ended 30 November 2016, the Company, acting as a lender, entered into an intercompany interest bearing loan with Petrusse Aviation SARL. The amount lent under the agreement was USD 6.6 million and loan maturity is 2020.The interest rate is fixed at 2.85%. and interest accrued as at 30 November 2016 was USD 0.2 million.

Receivables and payables with related parties represent advances that are unsecured and have no fixed term of repayment.

b) Loans to shareholder

In thousands of USD	**2016**	**2015**
Loans to shareholders	-	6,257
Total	-	6,257

During the year ended 30 November 2016, Carmel Capital SARL repaid in full to the Company an interest bearing loans totalling USD 6.3 million.

c) Income

During the year ended 30 November 2016 USD 1.5 million was received from ACHL as a result of recharge of interest expense and amortisation of debt issuance costs associated with the Senior Secured Notes (2015: USD 24.7 million). In addition during the year ended 30 November 2016 the Company received USD 1.3 million (2015: USD 15.7) of interest income from other subsidiaries.

d) Expense

During the year ended 30 November 2016 the Company did not incur interest expense relating to loan from shareholders (2015: USD 1.8 million) as during the year ended 30 November 2015 the Company repaid its loan from shareholders.

e) Other

There were no transactions and there are no outstanding balances relating to key management personnel and / or entities over which they have control or significant influence.

25. Commitments and contingent liabilities

Consolidated

a) Capital commitments

At 30 November 2016, the Group had committed to purchase 23 new aircraft scheduled to deliver from 1 December 2016 through to financial year 2019. All of these purchase commitments to purchase new aircraft are based upon master agreements with Airbus S.A.S. ("Airbus").

The Airbus aircraft (models A320 and A321) are being purchased pursuant to an agreement executed by Group companies with Airbus. This agreement establishes the pricing formulas, (which include certain price adjustments based upon inflation and other factors), and various other terms with respect to the purchase of aircraft. Under certain circumstances, there is the right to alter the mix of aircraft type ultimately acquired.

In addition, the Group is committed to the purchase of one aircraft from an airline.

The total capital commitment at 30 November 2016 is USD 1,040.6 million (2015: USD 830.9 million).

The Directors anticipate that a portion of the aggregate purchase price for the purchase of aircraft will be funded by incurring additional debt. The exact amount of the indebtedness to be incurred will depend upon the actual purchase price of the aircraft, which can vary due to a number of factors, including inflation, and the percentage of the purchase price of the aircraft which must be financed.

b) Contingent liability

A contingent loss exists at 30 November 2016 in relation to unpaid Eurocontrol charges incurred by operators of the Group's aircraft.

Eurocontrol's Central Route Charges Office bills and collects charges from users of en-route services on behalf of Eurocontrol Member States pursuant to a Multilateral Agreement ("the Agreement"). The Agreement, which came into force on 1 January 1986, stipulates that the party liable for the payment of Eurocontrol charges is the operator of the aircraft at the time the relevant flight was performed. If the identity of the operator is unknown and the owner fails to prove that another party is the operator, then the owner will be treated as the operator.

The Agreement provides that where a debtor has not paid the amount due, measures may be taken by Eurocontrol to enforce recovery. The measures available to Eurocontrol are subject to national law in each of the Eurocontrol Member States and in some jurisdictions include the ability to arrest and detain an aircraft pending recovery of unpaid charges. The Group as owner of the aircraft may become liable for Eurocontrol costs in the event that an operator defaults on their Eurocontrol obligations.

No accrual has been made at 30 November 2016 (2015: nil) in relation to contingent liabilities pertaining to Eurocontrol charges as any potential liability is not considered probable at this time, and the amount of any potential liability cannot be reasonably estimated.

25. Commitments and contingent liabilities (continued)

Company

Guarantees

The Company has guaranteed the obligations of its subsidiary, AATD under aircraft purchase agreements between AATD and Airbus.

The Company has guaranteed the obligations of its subsidiary, AWAS Finance Luxembourg SARL ("AFLS"), under Term Loan Credit Agreement, June 2010, between AFLS, as the borrower, and various lenders.

The Company has guaranteed the obligations of its subsidiary, AWAS Finance Luxembourg 2012 SARL ("AFLS 2012"), under Term Loan Credit Agreement, July 2012, between AFLS 2012, as the borrower, and various lenders.

The Company has guaranteed the obligations of its subsidiary, AWAS Finance Luxembourg 2014 SARL ("AFLS 2014"), under Loan Agreements, April 2014 and April 2015, between AFLS 2014, as the borrower, and various lenders.

The Company has guaranteed the obligations of its subsidiary, AWAS 8 Limited, under Loan Agreement, February 2015, between AWAS 8 Limited, as the borrower, and various lenders.

The Company has guaranteed the obligations of its subsidiary, AWAS 787-1 Limited, under Loan Agreement, April 2015, between AWAS 787-1 Limited, as the borrower, and various lenders.

The Company has guaranteed certain of the obligations of multiple subsidiaries, special purpose borrower entities under limited recourse loan facilities for the acquisition financing of multiple aircraft in the Group's fleet.

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26. Risks and uncertainties

The Group's directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Company's Board of Directors has established the Audit Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Audit Committee advises the board of directors on the implementation of policies on risk and control and ensures that a suitable system of internal control for the implementation of such policies is formulated, operated and monitored. In addition, the committee reviews regularly the effectiveness of internal control and risk policies and seeks regular assurances from management that the system is functioning effectively in managing risks in the manner which it has approved. The committee is assisted in its oversight role by the Group's Internal Audit. Internal Audit is responsible for regular reviews of risk management controls and procedures and it reports its findings to the Audit Committee.

Asset risk

The Group bears the risk of re-leasing or selling the aircraft in its fleet at the end of their lease terms. If demand for aircraft decreases market lease rates may fall, and should such conditions continue for an extended period, it could affect the market value of aircraft in the fleet and may result in an impairment charge. The Directors have employed personnel with appropriate experience of the aviation industry to manage the fleet and remarket or sell aircraft as required in order to reduce this risk.

The Group is highly dependent upon the continuing financial strength of the commercial airline industry. A significant deterioration in this sector could adversely affect the Group through a reduced demand for aircraft in the fleet and / or reduced market rates, higher incidences of lessee default and an increase in aircraft on the ground. The Group periodically performs reviews of its carrying values of aircraft and associated assets, trade receivables, notes receivables and the recoverable amount of deferred tax assets and the sufficiency of accruals and provisions, substantially all of which are susceptible to the above risks and uncertainties.

Foreign exchange risk

The Group and Company have a minimum exposure to foreign exchange risk as the majority of transactions are denominated in US dollars.

26. Risks and uncertainties (continued)

Interest rate risk

Consolidated

Interest rate risk is the risk (variability in value) borne by an interest-bearing financial instrument, such as a loan or a bond, due to variability of interest rates. The Group has entered into derivative contracts for some of its loan facilities which swap variable interest rates for fixed; therefore any increase or decrease in interest rates on the loan will lead to a decrease or increase in the differential on the swap. The Group's floating rate loans partially offset the floating rate nature of some of our lease rental contracts, whereby an increase in interest rates will be expected to be offset by higher rentals earned.

The effect on Group profit before tax of a 50 and 100 basis point change in interest rate, assuming all other variables are held constant, would be as follows:

In thousands of USD	50 BPS	100 BPS
2016	938	1,877
2015	1,082	2,164

Whereas, a decrease of 50 and 100 basis points change in interest rates, would have had the equal but opposite effect, on the basis that all other variables remain constant.

The Group also has loans and borrowings that bear fixed interest rates determined at the inception of the agreement. A significant change in interest rates could have a material adverse impact on the fair value of the Group's loans and borrowings. However, the Group records these loans at the amortised cost and therefore the Group's future performance would not be impacted by any future rate changes.

Company

The effect on Company profit before tax of a 50 and 100 basis point change in interest rate, assuming all other variables would be held constant, would be as follows:

In thousands of USD	50 BPS	100 BPS
2016	930	1,860
2015	1,230	2,549

Whereas, a decrease of 50 and 100 basis points change in interest rates, would have had the equal but opposite effect, on the basis that all other variables remain constant.

The Company also has loans and borrowings that bear fixed interest rates determined at the inception of the agreement. A significant change in interest rates could have a material adverse impact on the fair value of these loans and borrowings. However, the Company records these loans at the amortised cost and, therefore, the Company's future performance would not be impacted by any future rate changes.

26. Risks and uncertainties (continued)

Credit risk

Consolidated

The Group is subject to the credit risk of its lessees as to collection of rental payments under its operating leases. Credit risk is defined as the loss in cash and earnings if the counterparty is unable to pay its obligations in due time. The effective monitoring and controlling of airline customer credit risk is a competency of a dedicated Risk Management team. Notwithstanding the fact that Group operates in one sector, concentration of credit risk is limited due to the fact that the customer base is large and geographically diverse.

Creditworthiness of each new customer is assessed and the Group seeks security deposits in the form of cash or letter of credits to mitigate overall financial exposure to its lessees. The assessment process takes into account qualitative and quantitative information about the customer such as business activities, senior management team, financial fitness, resources and performance, and business risks, to the extent that this information is publicly available or otherwise disclosed to the Group.

The Group holds significant cash balances which are invested on a short term basis and are classified as cash and cash equivalents. These deposits and other financial instruments give rise to credit risk on amounts due from counterparties. Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty. The Group invests in counterparties with a rating lower than A3 / P-1 (Moodys) on an exception basis only. The Group typically does not enter into deposits with a duration of more than three months. In addition, the deposit amount placed by the Group with an individual institution typically does not exceed USD 65.0 million.

The value of trade receivables and other receivables is highly dependent upon the financial strength of the commercial aviation industry as described in the asset risk section. Defaults by one or more of the Group's major customers could have a material adverse effect on our cash flow and earnings and our ability to meet our debt obligations.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure before security. The maximum exposure to credit risk at the reporting date was:

In thousands of USD	Note	2016	2015
Cash and cash equivalents	16	189,035	464,459
Restricted cash	16	196,957	230,627
Other assets	12	6,799	10,883
Derivative financial assets	23	3,617	100
Loans to shareholder	24	-	6,257
Finance lease receivable	13	28,682	42,844
Trade and other receivables	14	20,655	41,182
Total		445,745	796,352

26. Risks and uncertainties (continued)

Credit risk (continued)

Consolidated (continued)

Receivables represent rent, maintenance and other charges related to the lease of aircraft to lessees.

The maximum exposure to credit risk for trade receivables and finance lease receivable at the reporting date by geographic region was:

In thousands of USD	**2016**	**2015**
Africa / Middle East	928	1,000
Asia / Pacific	10,321	12,724
Europe	32,669	39,719
Latin America	157	11,251
North America and Caribbean	3	2,197
Total	44,078	66,891

Company

The Company holds significant cash balances which are invested on a short term basis and are classified as cash and cash equivalents. These deposits and other financial instruments give rise to credit risk on amounts due from counterparties. Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty. In addition, the Company invests in counterparties with a rating lower than A3 / P-1 (Moodys) on an exception basis only. The Company typically does not enter into deposits with a duration of more than three months. In addition, the deposit amount placed by the Company with an individual institution typically does not exceed USD 65.0 million.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure before security. The maximum exposure to credit risk at the reporting date was:

In thousands of USD	**Note**	**2016**	**2015**
Cash and cash equivalents		167,105	418,084
Receivable from related parties	24	1,235,375	454,905
Loan to shareholder	24	-	6,257
Loans to related parties	24	61,833	653,171
Trade and other receivables		76	35
Total		1,464,389	1,532,452

Receivables represent interest income accrued related to the cash on deposit.

26. Risks and uncertainties (continued)

Credit risk (continued)

Company (continued)

Receivables from related parties represent trading balances with entities within the Group. These are unsecured and have no fixed term of repayments. No interest was charged on these receivables during year ended 30 November 2016.

Liquidity risk

Consolidated

The Group has funded a significant part of its operations with debt financing. The ability of the Group to continue to operate is dependent upon its ability to meet its payment obligations and adhere to covenant requirements under the respective loan agreements, which are dependent, among other things, upon the factors outlined above.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

In thousands of USD	**Carrying amount**	Contractual cash flows	12 months or less	1-2 years	2-3 years	3-4 years	After 4 years
2016							
Non-derivative financial liabilities							
External borrowings	5,214,810	(5,839,349)	(847,465)	(1,330,231)	(1,137,235)	(508,541)	(2,015,877)
Trade and other payables	259,882	(259,882)	(107,883)	(13,034)	(9,514)	(15,636)	(113,815)
Total	5,474,692	(6,099,231)	(955,348)	(1,343,265)	(1,146,749)	(524,177)	(2,129,692)
Derivative financial assets / (liabilities)							
Interest rate swaps*	(5,519)	(30,961)	(6,178)	(5,416)	(4,831)	(4,302)	(10,234)
Interest rate caps and swaps	3,617	-	-	-	-	-	-
Total	(1,902)	(30,961)	(6,178)	(5,416)	(4,831)	(4,302)	(10,234)

* The carrying amount for interest rate swaps is based on the market to market prevailing on these instruments as at the 30 November 2016. The mark to market is calculated taking into consideration the implied USD LIBOR forward curve. The contractual cash flows amounts are based on the USD LIBOR rate prevailing on the last roll date for each swap prior to the 30 November 2016. This LIBOR rate is assumed constant to the maturity of each swap.

26. Risks and uncertainties (continued)

Liquidity risk (continued)

Consolidated (continued)

In thousands of USD	**Carrying amount**	Contractual cash flows	12 months or less	1-2 years	2-3 years	3-4 years	After 4 years
2015							
Non-derivative financial liabilities							
External borrowings	5,717,887	(6,342,748)	(1,425,588)	(990,471)	(1,206,311)	(748,158)	(1,972,220)
Borrowings from shareholder	35,111	(232,916)	-	-	-	-	(232,916)
Trade and other payables	269,733	(269,733)	(127,784)	(13,969)	(13,835)	(11,061)	(103,084)
Total	6,022,731	(6,845,397)	(1,553,372)	(1,004,440)	(1,220,146)	(759,219)	(2,308,220)
Derivative financial assets / (liabilities)							
Interest rate swaps*	(9,316)	(31,030)	(6,443)	(5,605)	(4,586)	(3,980)	(10,416)
Interest rate caps and swaps	100	-	-	-	-	-	-
Total	(9,216)	(31,030)	(6,443)	(5,605)	(4,586)	(3,980)	(10,416)

* The carrying amount for interest rate swaps is based on the market to market prevailing on these instruments as at the 30 November 2016. The mark to market is calculated taking into consideration the implied USD LIBOR forward curve. The contractual cash flows amounts are based on the USD LIBOR rate prevailing on the last roll date for each swap prior to the 30 November 2016. This LIBOR rate is assumed constant to the maturity of each swap.

It is not expected that the cash flows in the maturity analysis could occur significantly earlier, or at significantly different amounts.

As explained in note 20, the Group has principal repayments due under its existing loans from external parties which fall due during the next 12 month period. These will be financed via operational cash flows (rental and disposal / acquisition of aircraft activities), new debt financing and potentially new equity.

As at 30 November 2016, the Group had committed to purchase a total of 24 aircraft (on forward order and from an airline), scheduled to deliver from 1 December 2016 through financial year 2019. The Directors anticipate that a significant portion of the aggregate purchase price for the aircraft will be funded by incurring additional debt. The exact amount of the indebtedness to be incurred will depend upon the actual purchase price of the aircraft, which can vary due to a number of factors, including inflation, and the percentage of the purchase price of the aircraft which will be financed.

If the Group cannot meet its obligations or if it breaches certain covenants under the various debt arrangements, it may be subject to contract breach damages suits, it may be required to restrict or apply all cash flows from aircraft pledged as collateral for certain debt facilities to meet principal and interest payments, and / or to paydown such debt facilities on an accelerated basis.

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26. Risks and uncertainties (continued)

Liquidity risk (continued)

Company

The Company has funded a significant part of its operations with debt financing. The ability of the Company to continue to operate is dependent upon its ability to meet its payment obligations and adhere to covenant requirements under the respective loan agreements, which are dependent, among other things, upon the factors outlined above. The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

In thousands of USD	**Carrying amount**	Contractual cash flows	12 months or less	1-2 years	2-3 years	3-4 years	After 4 years
2016							
Non-derivative financial liabilities							
External borrowings	25,073	(25,983)	(788)	(25,195)	-	-	-
Payable to related parties	1,542,756	(1,542,756)	(1,542,756)	-	-	-	-
Total	1,567,829	(1,568,739)	(1,543,544)	(25,195)	-	-	-

In thousands of USD	**Carrying amount**	Contractual cash flows	12 months or less	1-2 years	2-3 years	3-4 years	After 4 years
2015							
Non-derivative financial liabilities							
External borrowings	150,521	(149,989)	(149,989)	-	-	-	-
Payable to related parties	1,330,615	(1,330,615)	(1,330,615)	-	-	-	-
Total	1,481,136	(1,480,604)	(1,480,604)	-	-	-	-

It is not expected that the cash flows in the maturity analysis could occur significantly earlier, or at significantly different amounts.

As explained in note 20, the Company has principal repayments due under its existing loans from external parties which fall due during the next 12 month period. These will be financed via operational cash flows (rental and disposal / acquisition of aircraft activities) from related entities, new debt financing and potentially new equity. If the Company cannot meet its obligations or if it breaches certain covenants under the various debt arrangements, it may be subject to restrictions.

27. Subsequent events

Consolidated

There were no significant events subsequent to 30 November 2016.

Company

There were no significant events subsequent to 30 November 2016.

28. Approval of financial statements

The Directors approved these financial statements on 31 January 2017.

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