Company Registration No. 201400284M

Punj Lloyd Aviation Pte. Ltd.

Annual Financial Statements
31 March 2015

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File: typist	**PUNJ** : **jt**
Partner:	Shek
Mgr:	Teo Meng Siong
Staff & Ext.:	Belinda Teo / Yaik Khay Lum / Jian Wen Chay / Low Yuan Yi

Punj Lloyd Aviation Pte. Ltd.

General information

Directors

Atul Punj
Puthucode Narayanaswami Krishnan

Secretaries

Abdul Jabbar Bin Karam Din
Loh Lee Eng

Registered Office

5 Maxwell Road
#16-00 Tower Block
MND Complex
Singapore 069110

Auditor

Ernst & Young LLP

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The directors present their report to the members together with the audited financial statements of Punj Lloyd Aviation Pte. Ltd. (the "Company") for the financial year ended 31 March 2015.

Directors

The directors in office at the date of this report are:

Atul Punj
Puthucode Narayanaswami Krishnan

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50, particulars of interests of directors who held office at the end of the financial year in shares or debentures in the Company and its related corporations were as follows:

	Direct interest		**Deemed interest**	
	At 1 April 2014	**At 31 March 2015**	**At 31 March 2015**	**At 31 March 2014**
Ultimate holding company				
Punj Lloyd Limited				
Ordinary shares of Rps 2 each				
Atul Punj	1,431,360	1,431,360	97,839,775	97,839,775

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Directors' contractual benefits

Since the end of the previous financial period, no director of the Company has received or become entitled to receive a benefit (other than any emoluments received from a related corporation) by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

Atul Punj
Director

Puthucode Narayanaswami Krishnan
Director

Singapore
20 May 2015

Statement by directors

We, Atul Punj and Puthucode Narayanaswami Krishnan, being the directors of Punj Lloyd Aviation Pte. Ltd. (the "Company"), do hereby state that, in our opinion:

(i) the accompanying balance sheet, statement of comprehensive income, statement of changes in equity, and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and the results of the business, changes in equity and cash flows of the Company for the year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Atul Punj
Director

Puthucode Narayanaswami Krishnan
Director

Singapore
20 May 2015

Independent auditor’s report to the member of Punj Lloyd Aviation Pte. Ltd.

Report on the financial statements

We have audited the accompanying financial statements of Punj Lloyd Aviation Pte. Ltd. (the "Company") set out on pages 6 to 24, which comprise the balance sheet as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent auditor’s report to the member of Punj Lloyd Aviation Pte. Ltd.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and the results, changes in equity and cash flows of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

20 May 2015

Punj Lloyd Aviation Pte. Ltd.

Statement of comprehensive income
For the financial year ended from 31 March 2015

	Note	Year ended 31.3.2015	2.1.2014 to 31.3.2014
		$	$
Revenue	3	7,567,661	932,999
Cost of sales		–	–
Gross profit		7,567,661	932,999
Other operating expenses	4	(7,218,038)	(901,853)
Profit before taxation		349,623	31,146
Deferred tax expense	5	(1,238,749)	–
(Loss)/profit for the year/period		(889,126)	31,146
Other comprehensive income for the year/period, net of tax		–	–
Total comprehensive (loss)/income for the year/period		(889,126)	31,146

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Punj Lloyd Aviation Pte. Ltd.

Balance sheet
As at 31 March 2014

	Note	2015	2014
		$	$
ASSETS			
Non-current asset			
Property, plant and equipment	6	42,659,668	49,866,952
Current assets			
Amounts due from related companies	7	8,483,054	926,226
Cash and cash equivalents		1	1
		8,483,055	926,227
Total assets		51,142,723	50,793,179
EQUITY AND LIABILITIES			
Current liability			
Other payables	8	6,432	6,511
Net current assets		8,476,623	919,716
Non-current liability			
Deferred tax liability	9	1,238,749	–
Total liabilities		1,245,181	6,511
Net assets		49,897,542	50,786,668
Equity			
Share capital	10	50,755,522	50,755,522
Accumulated (loss)/profit		(857,980)	31,146
Total equity		49,897,542	50,786,668
Total equity and liabilities		51,142,723	50,793,179

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Punj Lloyd Aviation Pte. Ltd.

Statement of changes in equity
For the financial year ended from 31 March 2015

	Note	Share capital $	Accumulated (loss)/profit $	Total $
Balance at 2 January 2014 (date of incorporation)		1	–	1
Issuance of shares	10	50,755,521	–	50,755,521
Profit for the period		–	31,146	31,146
Total comprehensive income for the period		–	31,146	31,146
Balance at 31 March 2014 and 1 April 2014		50,755,522	31,146	50,786,667
Loss for the year		–	(889,126)	(915,051)
Balance at 31 March 2015		50,755,522	(857,980)	49,871,617

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Punj Lloyd Aviation Pte. Ltd.

Cash flow statement
For the financial year ended from 31 March 2015

	Note	Year ended 31.3.2015	2.1.2014 to 31.3.2014
		$	$
Cash flows from operating activities			
Profit before taxation		349,623	31,146
Adjustment for:			
Depreciation	6	7,207,284	888,569
Operating cash flows before changes in working capital		7,556,907	919,715
Amounts due from related companies		(7,556,828)	(926,226)
Payables		(79)	6,511
Net cash used in operating activities		–	–
Cash flows from investing activity			
Purchase of property, plant and equipment	6	–	(50,755,521)
Net cash used in investing activity		–	(50,755,521)
Cash flows from financing activity			
Issuance of ordinary shares		–	50,755,521
Net cash from financing activity		–	50,755,521
Net increase in cash and cash equivalents		–	–
Cash and cash equivalents at beginning of financial year/date of incorporation		1	1
Cash and cash equivalents at end of financial year/period		1	1

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

Punj Lloyd Aviation Pte. Ltd. (the "Company") is a private limited company domiciled and incorporated in Singapore on 2 January 2014. The Company's registered office and principal place of business is located at 5 Maxwell Road, #16-00 Tower Block MND Complex, Singapore 069110.

The immediate and ultimate holding companies are Punj Lloyd Infrastructure Pte Ltd ("PLIPL"), a company incorporated in Singapore, and Punj Lloyd Limited ("PLL"), a company incorporated in India, respectively.

The principal activities of the Company are those relating to aircraft leasing.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $).

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2014. The adoption of these standards did not have any effect on the financial performance or position of the Company.

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective*

The Company has not adopted the following standards that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 19 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 102 *Share Based Payment*	1 July 2014
(b) Amendments to FRS 103 *Business Combinations*	1 July 2014
(c) Amendments to FRS 108 *Operating Segments*	1 July 2014
(d) Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
(e) Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangible Assets*	1 July 2014
(f) Amendments to FRS 24 *Related Party Disclosures*	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 *Business Combinations*	1 July 2014
(b) Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
(c) Amendments to FRS 40 *Investment Property*	1 July 2014
FRS 114 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 1: *Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to FRS 16 *Property, plant and equipment* and FRS 41: *Agriculture: Bearer Plants*	1 January 2016
Amendments to FRS 27: *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 111: *Accounting for Acquisitions of Interest in Joint Operations*	1 January 2016
Amendments to FRS 110 & FRS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
(b) Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
(c) Amendments to FRS 19 *Employee Benefits*	1 January 2016
(d) Amendments to FRS 34 *Interim Financial Reporting*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2. Summary of significant accounting policies (cont'd)

2.4 *Functional and foreign currency*

(a) *Functional currency*

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be SGD.

(b) *Foreign currency transactions*

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.5 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Aircrafts – 7 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognised

2. Summary of significant accounting policies (cont'd)

2.6 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand.

2.7 ***Impairment of non-financial assets***

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset’s or cash-generating unit’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.8 ***Financial instruments***

(a) ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

2. Summary of significant accounting policies (cont'd)

2.8 *Financial instruments*

(a) ***Financial assets (cont'd)***

Subsequent measurement

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in the profit or loss.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method. Gain or losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.9 *Impairment of financial assets*

The Company assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired

Assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

2. Summary of significant accounting policies (cont'd)

2.10 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made.

(a) Aircraft rental income

Rental income arising from operating leases on aircraft is accounted for on a straight-line basis over the lease term.

2.11 *Income taxes*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

2. Summary of significant accounting policies (cont'd)

2.11 *Income taxes (cont'd)*

(b) *Deferred tax (cont'd)*

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income 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 is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.12 *Related parties*

A related party is defined as follows:

(a) A person or a close member of that person’s family is related to the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

2. Summary of significant accounting policies (cont'd)

2.12 *Related parties (cont'd)*

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a); and

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.13 *Significant accounting estimates and judgements*

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3. Revenue

	Year ended 31.3.2015	2.1.2014 to 31.3.2014
	$	$
Aircraft usage fee	7,567,661	932,999

4. Other operating expenses

	Year ended 31.3.2015	2.1.2014 to 31.3.2014
	$	$
Depreciation of property, plant and equipment	7,207,284	888,569
Others	10,754	13,284
	7,218,038	901,853

5. Income tax expense

	Year ended 31.3.2015	2.1.2014 to 31.3.2014
	$	$
Deferred tax expense		
- Current year	1,238,749	–
	1,238,749	–

A reconciliation between taxation and the product of accounting loss multiplied by the applicable tax rate is as follows:

	Year ended 31.3.2015	2.1.2014 to 31.3.2014
	$	$
Profit before taxation	349,623	31,146
Tax at statutory tax rate of 17%	59,436	5,295
Adjustments:		
Income not subject to tax	–	(5,295)
Non-deductible expenses	1,225,238	–
Effect of partial tax exemption and tax rebate	(45,925)	–
	1,238,749	–

6. Property, plant and equipment

	Aircraft $
Cost:	
At 2 January 2014 (date of incorporation)	–
Additions	50,755,521
At 31 March 2014 / 1 April 2014 and 31 March 2015	50,755,521
Accumulated depreciation:	
At 2 January 2014 (date of incorporation)	–
Depreciation charge for the period	888,569
At 31 March 2014 and 1 April 2014	888,569
Depreciation charge for the year	7,207,284
At 31 March 2015	8,095,853
Net carrying amount:	
At 31 March 2014	49,866,952
At 31 March 2015	42,659,668

7. Amounts due from related companies

The amounts due from related companies are interest-free, unsecured and repayable on demand.

8. Other payables

	2015 $	2014 $
Accrued operating expenses	6,432	6,511

9. Deferred tax liabilities

	At 1.4.2014	Charged to income statement	At 31.3.2015
	$	$	$
Deferred tax liabilities			
Differences in depreciation for tax purposes	–	(1,238,749)	(1,238,749)

10. Share capital

	2015		2014	
	No. of shares	$	No. of shares	$
Issued and fully paid ordinary shares:				
At 1 April 2015/2 January 2014 (date of incorporation)	50,755,522	50,755,522	1	1
At 14 February 2014 Issuance of ordinary shares	–	–	50,755,521	50,755,521
At 31 March	50,755,522	50,755,522	50,755,522	50,755,522

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

11. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations. The key financial risks include credit risk and liquidity risk. The Company has risk management policies which set out its overall business strategies, its tolerance of risk and its general risk management philosophy and has established processes to monitor and control the hedging of transactions in a timely and accurate manner. Such policies are reviewed by the management with sufficient regularity to ensure that the Company's policy guidelines are adhered to.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount as and when necessary. The Company does not require collateral in respect of financial assets.

At the end of the reporting period, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk

Liquidity risk is risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. The Company is dependent on the ultimate holding company for financial support.

At the end of the reporting period, all the Company's financial assets and liabilities will mature in less than one year based on the carrying amount reflected in the financial statements.

12. Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

A. ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

Management has determined that the carrying amounts of cash and cash equivalents, other payables, amounts due from related companies, based on their notional amounts, reasonably approximates their fair values because these are mostly short term in nature or are repriced frequently.

B. ***Classification of financial instruments***

Set out below is a comparison by category of carrying amounts of all the Company's financial instruments that are carried in the financial statements:

	Loans and receivables	Non-financial assets	Total
	$	$	$
2015			
Assets			
Amounts due from related parties	8,483,054	–	8,483,054
Cash in hand	–	1	1
	8,483,054	1	8,483,055

	Financial liabilities at amortised cost	Non-financial liabilities	Total
	$	$	$
2015			
Liabilities			
Other payables	–	6,432	6,432
Deferred tax liabilities	–	1,238,749	1,238,749
	–	1,245,181	1,245,181

13. Capital management

The primary objective of the Company's capital management is to ensure that an appropriate capital structure is maintained in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustment to it, in the light of changes in economic conditions and capital markets. To maintain or adjust the capital structure, the Company may adjust the capital distribution to shareholders, or effect long-term loans as and when appropriate. No changes were made in the objectives, policies or processes during the financial year and period ended 31 March 2015 and 2014.

14. Comparative figures

The financial statements for the previous financial period cover the period from 2 January 2014 (date of incorporation) to 31 March 2014.

15. Authorisation of financial statements for issue

The financial statements for the financial year ended from 31 March 2015 were authorised for issue in accordance with a resolution of the directors on 20 May 2015.