28 September 2017

Air Partner plc

Interim results for the six months ended 31 July 2017

Air Partner delivers strong first half trading results

Air Partner plc ("Air Partner" or "Group"), the global aviation services group, today reports results for the six months to 31 July 2017.

	July 2017	July 2016	**Change (%)**
Gross Transaction Value	**£135.5m**	£112.9m	**20.0**
Gross profit	**£18.1m**	£16.1m	**12.2**
Underlying[§] profit before tax	**£4.1m**	£3.0m	**34.4**
Statutory profit before tax	**£3.7m**	£2.6m	**40.0**
Cash (including JetCard)	**£28.8m**	£24.6m	**17.4**
Net cash (non-JetCard cash less debt)	**£10.6m**	£5.2m	**103.7**
Underlying[§] basic EPS	**5.6p**	4.5p	**24.4**
Basic continuing EPS	**4.9p**	3.8p	**28.9**
Interim dividend	**1.7p**	1.6p	**6.2**

§ - Underlying results are stated after other items as defined in note 1

Financial Highlights:

- Gross profit of £18.1m, a year-on-year increase of 12.2%, reflecting strong trading performance in the Broking division
- Underlying profit before tax of £4.1m, a year-on-year increase of 34.4%
  - Commercial Jets delivered underlying operating profit growth of 44.3% to £2.7m
  - Freight underlying operating profit up 88.6% to £0.6m
- Underlying EPS of 5.6p, a year-on-year increase of 24.4%
- Net cash (non-JetCard cash less debt), of £10.6m, an increase of 103.7%
- Interim dividend increased by 6.2% to 1.7p per share, payable on 27 October 2017

Operating Highlights:

Broking

- Commercial Jets:
  - Significant contracts won for elite sports teams
  - Strong growth from European tour operations
  - German automotive contract renewed for a further three years
  - Air Partner Remarketing completed work for Kenya Airways, China Airlines and awarded exclusive contract to market 15 Boeing 777-200ER aircraft for Saudia

- Private Jets:
  - JetCard renewals up 24%
  - Number of Private Jet clients in the US up 70%

- Continuing alignment of our JetCard product with the lifestyle needs of our customers with exciting partnerships and alliances

Consulting & Training:

- Baines Simmons: new safety and training contracts won with tier 1 national carriers and the Royal Air Force of Oman
- Clockwork Research has good forward pipeline of projects
- Cross selling success across the group
- Acquisition of SafeSkys Limited enhances capabilities in aviation safety

Strategic Highlights & Outlook

- Customer First fully embedded across the group, with the positive results seen in increased customer loyalty and improved retention across both divisions
- Good headway made against our strategic objective to create a balanced business, with two market leading divisions of Broking and Consulting & Training
- Current trading is in line with expectations
- Second half entered with confidence that expectations for rest of year will be met

Mark Briffa, CEO of Air Partner, commented: *"I am very pleased to report on an encouraging first half performance with continued progress made as a Group. We are building the company for the long-term, and our strategic objective to create balance between our Broking and Consulting & Training divisions is gaining traction. Our Customer First programme continues to be a key differentiator for us, and has played an important role in both customer retention and new business wins in the period under review. We continue to progress organic and acquisition opportunities that enable us to extend the services and capabilities we offer our global clients. We enter the next six months with optimism that our expectations for the full year will be met."*

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

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CHAIRMAN'S STATEMENT

An encouraging start to the year

In my first statement as Chairman, I am pleased to report an encouraging set of half year results, which demonstrate continued success in the implementation of our strategy. The Group has had a good start to the year with gross profit for the six months to 31 July 2017 up 12.2% to £18.1m. Underlying operating profit and underlying profit before tax rose by 36.0% and 34.4% respectively.

Air Partner is on a journey of transformation, with a clear, long-term strategy to become a world-class global aviation services group. We aim to create a balanced business, with two market leading divisions of Broking and Consulting & Training. Our strategy aligns us to the needs of our global customer base and should provide our shareholders with higher quality and increasingly visible earnings.

Our Customer First programme is now firmly established across the Group. As well as retaining existing customers, with key contracts renewed over the last six months, we are winning exciting new business. There is still a significant amount of hard work to be done across the Group in the months and years ahead to achieve our long-term objectives but I am confident we have the right framework in place from which to grow.

Our acquisition strategy is underpinned by sound financial management. Whilst our strong balance sheet and significant cash flows enable us to carry out acquisitions, we are careful to ensure both financial and cultural fit, maintaining sound financial disciplines in our assessment of each transaction.

Our people

Our customers fly with us time and again because they can rely on the world-class service and expertise we consistently deliver. Our people are at the heart of what we do and they enable us to deliver that world-class, 24-7, year-round, personal service that our customers enjoy as well as the expertise and focus on safety to give them confidence in the air. I am pleased by the commitment from all our people to work together to grow the business for the long-term and achieve our strategic objectives, and so, on behalf of the Board, I would like to thank all of our colleagues for their hard work in delivering another strong set of results.

Board Changes

As previously announced, Richard Everitt stood down as Chairman following the AGM in June, after 12 years as a Non-executive Director and five years as Chairman. It is with great pleasure that I take up the role, having been a Non-executive Director of the Company since 2014. Following my appointment as Chairman, Amanda Wills has been appointed as Chairman of the Remuneration Committee and Richard Jackson has been appointed as Senior Independent Director. Shaun Smith remains Head of the Audit Committee.

Earlier this month, we also announced that Tracy Beicken has been appointed as Group Legal Counsel and Company Secretary. Tracy is an experienced in house lawyer and company secretary and will take responsibility for all legal and company secretarial matters within the Company.

I am confident that through working closely with our highly experienced Board and Group senior management, we can continue to implement our long-term transformation strategy to become a world-class global aviation services group.

Dividend

In line with our dividend policy, the Board is proposing an interim dividend of 1.7p, representing a year-on-year increase of 6.2%. The interim dividend is expected to be paid on 27 October 2017 to those shareholders registered at close of business on 6 October 2017.

Outlook

The Board is pleased with our start to the year. Trading performance since the period end has remained solid, and the Board continues to have confidence in our full year expectations.

Air Partner is making good progress on our journey of transformation. As we always state, the world of aviation, and most especially the global charter industry, is a volatile industry. Our aim to create a balanced business with two market leading divisions of Broking and Consulting & Training should provide us with higher quality and increasingly visible earnings for our shareholders. While it is prudent to remain cautious, we are confident that we have the right long-term strategy in place, in alignment with the needs of our global customer base.

Peter Saunders
Chairman

CHIEF EXECUTIVE'S REVIEW

I am delighted with this very encouraging first half performance and the continued progress we are making as a Group. Underlying profit before tax increased 34.4% year on year to £4.1m and statutory profit before tax by 40.0% to £3.7m, which is testament to the skills, expertise and knowledge of our teams who provide the world-class experience that keeps our customers flying with confidence.

The first six months of the year have seen further progress against our clear long-term strategy to become a world-class global aviation services group. We have a global platform from which to grow the business, with a clear objective to achieve balance between our two divisions - Broking and Consulting & Training - providing exceptional service and value to our customers globally, and delivering higher quality and increasingly visible earnings to our shareholders.

I am very pleased with our strategic progress so far and am encouraged that there is still a lot more we can do. As shareholders know from reading prior Chief Executive Reviews, a significant amount of time has been spent over the years engaging with customers to really understand how they perceive Air Partner, what they expect from us, what they value from us, and where and how they want to work with us in the future. We listened, and those findings became the foundation of our clear, long-term strategy. It gave us the confidence to launch initiatives such as the Customer First programme, which has become central to our business transformation.

Customer First is now fully embedded across the Group, with the positive results seen in increased customer loyalty and improved retention across our divisions. We are seeing some encouraging new business from existing customers requesting services from other divisions, which is testament to the strength of our relationships and the quality and increasing breadth of products and services we can deliver.

Today, as an organisation we are more aligned to our global customer than ever before. Like our customers, we are thinking, planning and managing for the long-term, acting and behaving strategically. We are quick to respond and able to navigate short-term obstacles if required to do so, but find we win more often when we think and act long-term, with integrity, while putting our customer's best interests first. Our long-term approach has significant benefits for customers and staff, and I am confident it will continue to deliver sound economic returns for our shareholders.

Our long-term approach informs how we consider potential acquisitions, and also how vendors perceive Air Partner as a potential owner of their business. I am delighted with the businesses we have acquired and the quality people they have brought into the Group. We will take time to get things right. Our ambition for these businesses as '*an Air Partner company'* is substantial and strategically we think well beyond a one or two year financial forecast period, confident that the real value creation and operational benefit to the Group comes as they settle, align with our culture and develop working relationships across the global organisation. We will never be afraid to pause, take a step back or accelerate investment today, if it positions us to take a leap forward tomorrow, because we believe the long-term rewards are worth it.

Divisional Review

Broking

This has been a strong first half performance for our Broking division, with gross profit up 21.4% to £15.7m and underlying operating profit up 27.9% to £4.7m.

Commercial Jets has underpinned this strong performance, with gross profit increased by 34.4% to £9.4m and underlying operating profit up 44.3% to £2.7m. This growth was driven by pleasing performances from all territories with good business from both new and existing customers. Across Europe we have benefitted not only from our European Tour Operating programmes but also from our expertise in serving elite sports teams with flights to the US, China, Singapore, South America and Europe arranged for high profile football clubs during the pre-season tours. In the UK we have won a new contract with a premier league football club, bringing the total number of football teams we work for to 35. We have also renewed our contract with a major German automotive company for a further three years. Finally, our UK and US teams have worked seamlessly together to deliver a successful programme for a large global insurance company.

In Private Jets, gross profit increased slightly year-on-year, by 0.4% to £5.1m while underlying operating profit decreased by 6.0% to £1.4m. This masks the growth and improvement in performance of our US and JetCard businesses and reflects a lower spend over the period from some key clients. In addition, we have continued to invest in our sales team both in the UK and US. While this investment had an adverse impact on the first half results, we are well positioned to benefit from this over the second half and beyond. Our work on the Customer First programme is rewarding us with JetCard renewals up 24% year on year. To enhance our customer experience further we are driving initiatives to align our product with the lifestyle needs of our customers with some exciting partnerships and alliances, and have rolled out bespoke JetCard catering in 33 airports across the UK and Continental Europe.

In the US, where we expanded our New York office last year and brought in new management to bring greater focus and strong leadership to the region, we have seen a sharp increase in corporate and high net worth individual business, with overall client numbers increased by nearly 70% over the period. European Private Jets business remains small with slow growth, hence our focus on the US and UK where there are greater opportunities and greater rewards.

Air Partner Remarketing has had a good start to the new financial year having been rebranded under the Air Partner umbrella. Over the period, Air Partner Remarketing has successfully sold and delivered two B737-700 aircraft and a GE engine for Kenya Airways, two 747-400s on behalf of China Airlines and won an exclusive contract with Saudia to market 15 Boeing 777-200ER aircraft.

We continue to consider Freight a strategic offering, enabling us to provide our customers with a full aviation service. Freight has had a good first half, against a soft comparative period, with gross profit up 42.9% to £1.1m and underlying operating profit increasing by 88.6% to £0.6m. While the automotive sector remained strong, this growth arose from our international offices, which benefited from contracts to the Middle East.

Consulting & Training

Overall, our Consulting & Training division's performance was flat year-on-year, with underlying operating profit at £0.4m. However, gross profit has decreased by 24.1%, to £2.5m due to the timing of major projects in Baines Simmons when compared to prior year. It should also be noted that we now include our Emergency Planning Division ("EPD") within Consulting & Training, and EPD has had a good start to the year, with operating profit up 42.1%, albeit off a low base.

At the 2017 full year we reported that our 2015 acquisition, Baines Simmons, was profitable in its first full year of operation under the Air Partner banner. Over the first half, Baines Simmons has won new safety and training contracts with tier 1 national carriers and with the Royal Air Force of Oman. The pipeline for the second half remains encouraging. Baines Simmons has secured a four year contract with the European Defence Agency to provide consultancy and training services to all 28 Member States and is also working with various well-known schedule and charter airlines. We have also seen a strong performance in Academy Training.

At the end of 2016, we acquired fatigue management consultancy, Clockwork Research. First half trading has been challenging, but with a good pipeline of projects we are confident in the longer-term prospects for the business. We have undertaken work to further strengthen this pipeline and leverage the Baines Simmons offering. An encouraging example of the cross selling opportunities that have arisen following acquisition, is that Clockwork Research is now carrying out work within the rotary sector with a Baines Simmons client.

I am pleased to announce today the acquisition of SafeSkys Limited ("SafeSkys"), a leading Environmental and Air Traffic Control services provider to UK & International airports. Established in 1993 by Richard Barber, SafeSkys has built a great reputation serving Airport customers around the world in specialist areas of Aviation Safety, predominantly Environmental Wildlife Hazard Management & Bird Control and Air Traffic Control. SafeSkys is a great acquisition for Air Partner, immediately enhancing the Group's capabilities and international presence in Aviation Safety and extending our activities with Airport customers. Working with Richard, and as part of Air Partner's Consulting & Training division, we look forward to supporting SafeSkys's international growth in the years ahead.

We continue to assess acquisition opportunities within Consulting & Training, as we aim to create a balanced mix between the two divisions.

Outlook

The new financial year has started well and we are making good headway against our strategic objectives. Trading since the period end has remained solid. We enter the second half with continued confidence that our expectations for the remainder of the year will be met, whilst the final quarter of the financial year can be the most challenging.

We have built a strong platform from which to continue to grow the business. Our long-term objective to create a more equal balance between our two divisions, Broking and Consulting & Training, will deliver higher quality and increasingly visible earnings to our shareholders and will further align us to the needs of our global customer base, enabling us to continue to provide exceptional service and value.

Mark Briffa, Chief Executive Officer

FINANCIAL REVIEW

Financial position

The total cash balance of £28.8m has increased from the prior year comparative of £24.6m, driven by an increase in non-JetCard cash of £5.0m to £13.4m, offset by a reduction in JetCard cash of £0.8m to £15.4m. The increase in non-JetCard cash was a result of working capital movements, particularly an increase in deferred income relating to our Tour Operations programmes, the first half trading performance and a further weakening of sterling, particularly against the euro, compared to prior year. JetCard cash has reduced because of the continued high utilisation of existing cards outpacing renewals and new card sales.

As noted in our annual report, we have undertaken a programme of placing all JetCard funds into segregated accounts to provide further assurance to our customers. This has resulted in the significant increase in ‘Restricted Cash’ from £2.4m at 31 July 2016 to £11.0m. The remainder of the JetCard cash will have been moved into these accounts by the year-end.

Our gross debt at the year-end totalled £2.9m and has reduced following the refinancing of the loan that was in place at the 31 January 2017 with a revolving credit facility. This is due to be repaid or rolled on in November 2017.

The Group’s net cash, excluding JetCard cash, stood at £10.6m, compared to net cash of £1.0m at the year-end and demonstrates the strength of our balance sheet.

Foreign Exchange

Although sterling has weakened since the EU referendum result in June 2016, given that the Group maintains a net asset position in euros and profits are generated in its international offices, the Group has not suffered an adverse impact from these movements.

Where possible the Group uses natural hedging to minimise its foreign exchange exposure, for example matching JetCard deposits denominated in euros with the respective deferred income. The net foreign exchange gain for the period was £92k (2016: £42k gain).

The Group also uses derivative financial instruments to hedge certain transactions in accordance with its internal policy. The fair value of these instruments at the balance sheet date was a net asset of £3k (2016: £5k liability).

Balance Sheet

The significant increase in both trade and other receivables (increase of £8.1m), other liabilities (increase of £6.6m) and deferred income (increase of £5.6m) is driven by a combination of a larger Tour Operations programme this financial year, coupled with the timing of the flights. As noted above, the increase in deferred income has also resulted in a higher cash balance.

Taxation

The underlying effective tax rate for the period stood at 27.4% (2016: 24.7%) and is higher than the UK statutory rate of tax due to the impact of international tax rates.

Other items

Other items of £0.4m (2016: £0.4m) include amortisation of intangible assets arising on acquisition of £0.2m and acquisition related costs of £0.2m. Other items in the prior period comprise restructuring of £0.2m and amortisation of intangibles arising on acquisition of £0.2m.

Neil Morris, Chief Financial Officer

Forward-looking statements

Announcements issued by Air Partner plc may contain forward looking statements, indicated by words such as "aims", "believes," "expects", "intends," and similar expressions. These statements reflect current views and expectations up to the date of approval of this statement and are made in good faith by the directors. Unless otherwise required by laws, regulations or changes in accounting standards, Air Partner accepts no obligation to update these statements as a result of future events or new information subsequently obtained. New announcements will be made to the market as required under the Disclosure and Transparency Rules.

Trends and factors affecting the business

Air Partner's lead times for ad hoc bookings are measured in days or weeks, rather than months and future revenues cannot be predicted with any certainty. Forward bookings can be impacted very suddenly by changes in financial markets, political instability and natural events affecting the movement of people or cargo from one country to another. Lead times in the Remarketing business can be up to one year and therefore forecasting when a particular contract may be realised is not easy to predict. Economic uncertainty affects corporate, government and individual clients and affects the quality of supply of aircraft as operators consolidate or leave the market. These trends are outside the Group's control but the strategy remains to diversify to address seasonality and broaden the client mix.

Principal risks and uncertainties facing the Group

Aircraft charter broking, remarketing and consultancy can be classed as a relatively low financial risk business, in that the business sells capacity on aircraft owned and operated by a third party and contracts are normally placed as mirrored transactions, or remarkets aircraft on behalf of a third party. The Group does not have any contractual arrangements with any significant individual or company which are essential to continuation of the business. The Board reviews risks which may have a significant impact on the Group, including operational aviation related risks (quality and quantity of supply, adverse weather conditions, competitive pricing pressure and regulatory changes) and financial risks such as foreign exchange and interest rate fluctuations, credit risk and liquidity and cash flow management. The profile of both financial and operational risks varies from time to time but the current level of risk is not substantially different from that as at 31 January 2017, as described in the principal risks and uncertainties section of the annual report. The principal risk to the Group's business remains the degree to which clients' available financial resources and the general economic conditions in which they operate affect their willingness to charter. The Group recognises that ad hoc charters are likely to continue to be impacted by changes, both positive and negative, in the macro-economic climate.

Related party transactions

There has been no significant change in the level of transactions between Air Partner plc and its subsidiaries since that disclosed in the annual report for the year ended 31 January 2017. Such transactions did not materially affect the financial position or performance of the Group in the period under review. There are no other related party transactions which are required to be disclosed under DTR 4.2.8R.

Going concern

After making enquiries, the directors are satisfied that the Group and the Company have adequate resources to continue in business for the foreseeable future. The directors have therefore continued to adopt the going concern basis in the preparation of these financial statements.

Directors' responsibility statement

The interim report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The unaudited condensed consolidated financial statements included in this interim report have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

Mark Briffa	Neil Morris
Chief Executive Officer	Chief Financial Officer
27 September 2017	27 September 2017

The directors of Air Partner plc are listed in the Group's Annual Report and Accounts for the year ended 31 January 2017 and on our website at www.airpartner.com.

See more at: http://www.airpartner.com/en/investors.

Enquiries

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About Air Partner:

Founded in 1961, Air Partner is a global aviation services group that provides worldwide solutions to industry, commerce, governments and private individuals. The Group has two divisions: Broking division, comprising air charter broking and remarketing; and the Consulting & Training division, comprising the aviation safety consultancies, Baines Simmons, Clockwork Research and SafeSkys, as well as Air Partner’s Emergency Planning Division. For reporting purposes, the Group is structured into four divisions: Commercial Jets, Private Jets, Freight (Broking) and Consulting & Training (Baines Simmons, Clockwork Research, SafeSkys and Air Partner’s Emergency Planning Division). The Commercial Jet division charters large airliners to move groups of any size. Air Partner Remarketing, which is within the Commercial Jet division, provides comprehensive remarketing programmes for all types of commercial and corporate aircraft to a wide range of international clients. Private Jets offers the Company's unique pre-paid JetCard scheme and on-demand charter. Freight charters aircraft of every size to fly almost any cargo anywhere, at any time. Baines Simmons is a world leader in aviation safety consulting specialising in aviation regulation, compliance and safety management. Clockwork Research is a leading fatigue risk management consultancy. SafeSkys is a leading Environmental and Air Traffic Control services provider to UK and International airports. Air Partner is headquartered alongside Gatwick airport in the UK. Air Partner operates 24/7 year-round and has 20 offices globally. Air Partner is listed on the London Stock Exchange (AIR) and is ISO 9001:2008 compliant for commercial airline and private jet solutions worldwide. www.airpartner.com

Consolidated income statement

for the half year ended 31 July 2017 (unaudited)

		Half year ended 31 July 2017			Half year ended 31 July 2016			Year ended 31 January 2017		
Continuing operations	Note	Underlying * £'000	Other items £'000	Total £'000	Underlying * £'000	Other items £'000	Total £'000	Underlying * £'000	Other items £'000	Total £'000
Gross transaction value (GTV)		**135,450**	**-**	**135,450**	112,922	-	112,922	215,829	-	215,829
Revenue		**23,109**	**-**	**23,109**	22,230	-	22,230	42,538	-	42,538
Gross profit	2	**18,118**	**-**	**18,118**	16,141	-	16,141	31,707	-	31,707
Administrative expenses		**(13,966)**	**(371)**	**(14,337)**	(13,087)	(385)	(13,472)	(26,593)	(709)	(27,302)
Operating profit	2	**4,152**	**(371)**	**3,781**	3,054	(385)	2,669	5,114	(709)	4,405
Finance income		**2**	**-**	**2**	8	-	8	39	-	39
Finance expense		**(104)**	**-**	**(104)**	(49)	-	(49)	(96)	-	(96)
Profit before tax		**4,050**	**(371)**	**3,679**	3,013	(385)	2,628	5,057	(709)	4,348
Taxation	8	**(1,108)**	**26**	**(1,082)**	(745)	32	(713)	(1,654)	153	(1,501)
Profit for the period from continuing operations		**2,942**	**(345)**	**2,597**	2,268	(353)	1,915	3,403	(556)	2,847
Profit for the period	2	**2,942**	**(345)**	**2,597**	2,268	(353)	1,915	3,403	(556)	2,847
Attributable to:										
Owners of the parent company		**2,942**	**(345)**	**2,597**	2,268	(353)	1,915	3,403	(556)	2,847
Earnings/(loss) per share:										
Continuing operations										
Basic	5	**5.6p**	**(0.7)p**	**4.9p**	4.5p	(0.7)p	3.8p	6.5p	(1.1)p	5.4p
Diluted	5	**5.5p**	**(0.6)p**	**4.9p**	4.4p	(0.7)p	3.7p	6.4p	(1.1)p	5.3p
Continuing and discontinued operations										
Basic	5	**5.6p**	**(0.7)p**	**4.9p**	4.5p	(0.7)p	3.8p	6.5p	(1.1)p	5.4p
Diluted	5	**5.5p**	**(0.6)p**	**4.9p**	4.4p	(0.7)p	3.7p	6.4p	(1.1)p	5.3p

*Before other items (see note 3)

Consolidated statement of comprehensive income

for the half year ended 31 July 2017 (unaudited)

	Half year ended 31 July 2017 £'000	Half year ended 31 July 2016 £'000	Year ended 31 January 2017 £'000
Profit for the period	**2,597**	1,915	2,847
Other comprehensive income – items that may subsequently be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	**97**	254	346
Total comprehensive income for the period	**2,694**	2,169	3,193
Attributable to:			
Owners of the parent company	**2,694**	2,169	3,193

Consolidated statement of changes in equity
for the half year ended 31 July 2017 (unaudited)

	Share capital £'000	Share premium account £'000	Merger Reserve £'000	Own shares £'000	Translation reserve £'000	Share option reserve £'000	Retained earnings £'000	**Total equity £'000**
Opening equity as at 1 February 2016	522	4,814	295	(1,199)	1,064	1,708	6,650	**13,854**
Profit for the period	-	-	-	-	-	-	1,915	**1,915**
Exchange differences on translation of foreign operations	-	-	-	-	254	-	-	**254**
Total comprehensive income for the period	-	-	-	-	254	-	1,915	**2,169**
Share option movement for the period	-	-	-	-	-	122	-	**122**
Issue of shares	-	-	-	60	-	(60)	-	**-**
Share options exercised during the period	-	-	-	110	-	-	(45)	**65**
Dividends paid (note 4)	-	-	-	-	-	-	(1,741)	**(1,741)**
Closing equity as at 31 July 2016	522	4,814	295	(1,029)	1,318	1,770	6,779	**14,469**

	Share capital £'000	Share premium account £'000	Merger Reserve £'000	Own shares £'000	Translation reserve £'000	Share option reserve £'000	Retained earnings £'000	**Total equity £'000**
Opening equity as at 1 February 2017	522	4,755	354	(672)	1,410	2,017	6,548	**14,934**
Profit for the period	-	-	-	-	-	-	2,597	**2,597**
Exchange differences on translation of foreign operations	-	-	-	-	97	-	-	**97**
Total comprehensive income for the period	-	-	-	-	97	-	2,597	**2,694**
Share option movement for the period	-	-	-	-	-	299	-	**299**
Issue of shares	-	(59)	59	60	-	(60)	-	**-**
Share options exercised during the period	-	-	-	15	-	-	(14)	**1**
Dividends paid (note 4)	-	-	-	-	-	-	(1,869)	**(1,869)**
Closing equity as at 31 July 2017	522	4,696	413	(597)	1,507	2,256	7,262	**16,059**

Consolidated statement of financial position

as at 31 July 2017

	Note	**31 July 2017 (unaudited) £'000**	31 July 2016 (unaudited) £'000	31 January 2017 (audited) £'000
Assets				
Non-current assets				
Goodwill	6	**3,860**	3,440	3,787
Other intangible assets		**4,795**	4,825	4,956
Property, plant and equipment		**1,084**	1,140	1,086
Deferred tax assets		**533**	524	533
		10,272	9,929	10,362
Current assets				
Trade and other receivables		**42,245**	34,191	25,405
Current tax assets		**488**	399	506
Restricted bank balances		***10,977***	*2,434*	*1,965*
Other cash and cash equivalents		***17,842***	*22,121*	*17,830*

Total cash and cash equivalents	**28,819**	24,555	19,795
Derivative financial instruments	**3**	-	-
	71,555	59,145	45,706
Total assets	**81,827**	69,074	56,068
Current liabilities			
Trade and other payables	**(4,796)**	(6,564)	(4,359)
Current tax liabilities	**(1,430)**	(466)	(1,071)
Other liabilities	**(11,873)**	(5,241)	(4,463)
Borrowings	**(2,872)**	(514)	(514)
Deferred income	**(43,827)**	(38,242)	(27,350)
Provisions	**(71)**	-	-
Derivative financial instruments	**-**	(5)	(9)
	(64,869)	(51,032)	(37,766)
Net current assets	**6,686**	8,113	7,940
Long term liabilities			
Borrowings	**-**	(2,700)	(2,443)
Deferred consideration	**(200)**	-	(200)
Deferred tax liability	**(699)**	(873)	(725)
Total long term liabilities	**(899)**	(3,573)	(3,368)
Total liabilities	**(65,768)**	(54,605)	(41,134)
Net assets	**16,059**	14,469	14,934
Equity			
Share capital	**522**	522	522
Share premium account	**4,696**	4,814	4,755
Merger Reserve	**413**	295	354
Own shares	**(597)**	(1,029)	(672)
Translation reserve	**1,507**	1,318	1,410
Share option reserve	**2,256**	1,770	2,017
Retained earnings	**7,262**	6,779	6,548
Total equity	**16,059**	14,469	14,934

Consolidated statement of cash flows

for the half year ended 31 July 2017 (unaudited)

	Note	**Half year ended 31 July 2017 £'000**	Half year ended 31 July 2016 £'000
Net cash inflow from operating activities	7	**10,079**	5,088
Investing activities			
– Interest received		**2**	8
– Purchases of property, plant and equipment		**(217)**	(22)
– Purchases of intangible assets		**(53)**	-
Net cash used in investing activities		**(268)**	(14)
Financing activities			
– Dividends paid		**(1,869)**	(1,741)
– Proceeds on exercise of share options		**1**	65
– New bank loans raised		**2,872**	-
– Repayment of borrowings		**(2,872)**	(257)
Net cash used in financing activities		**(1,868)**	(1,933)
Net increase in cash and cash equivalents		**7,943**	3,141
Opening cash and cash equivalents		**19,795**	19,791
Effect of foreign exchange rate changes		**1,081**	1,623
Closing cash and cash equivalents		**28,819**	24,555

JetCard cash

The closing cash and cash equivalents balance can be further analysed into 'JetCard cash' (being restricted and unrestricted cash received by the Group in respect of its JetCard product) and 'non-JetCard cash' as follows:

	2017 £'000	2016 £'000
JetCard cash restricted in its use	**10,977**	2,434
Jetcard cash unrestricted in its use	**4,394**	13,715
Total JetCard cash	**15,371**	16,149
Non-JetCard cash	**13,448**	8,406
Cash and cash equivalents	**28,819**	24,555

1 GENERAL INFORMATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES

General information

The Directors of Air Partner plc present their interim report and the unaudited condensed consolidated financial statements for the six months ended 31 July 2017.

The Company is a limited liability company incorporated and domiciled in England and Wales under registration number 00980675. The address of its registered office is 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA. The Company is listed on the London Stock Exchange.

The Interim Financial Statements have been reviewed, but not audited, by Deloitte LLP and were approved by the Board of Directors on 27 September 2017.

The information for the six months ended 31 July 2017 does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The Interim Financial Statements should be read in conjunction with the Annual Report and Financial Statements, for the year ended 31 January 2017, which were prepared in accordance with European Union endorsed International Financial Reporting Standards ("IFRS") and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Annual Report and Financial Statements for the year ended 31 January 2017 were approved by the Board of Directors on 26 April 2017 and delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498(2) or (3) of the Companies Act 2006.

Basis of preparation

This condensed financial information for the half year ended 31 July 2017 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and International Accounting Standard ("IAS") 34 "Interim Financial Reporting" as adopted by the European Union. These interim condensed financial statements are unaudited and should be read in conjunction with the annual financial statements for the year ended 31 January 2017.

Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 January 2017.

Going concern

The Directors are, based on current financial projections, satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, that is a period of at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Interim Financial Statements.

Gross transaction value

Gross transaction value (GTV) represents the total value invoiced to clients and is stated exclusive of value added tax.

Other items

The directors believe that the underlying profit and earnings per share measures provide additional useful information for shareholders on the underlying performance of the business. These measures are consistent with how underlying business performance is measured internally. The underlying profit before tax measure is not a recognised profit measure under IFRS and may not be directly comparable with adjusted profit measures used by other companies. The adjustments made to reported profit before tax are to exclude the following:

- restructuring costs
- significant and one-off impairment charges and provisions that distort underlying trading
- costs relating to strategy changes that are not considered normal operating costs of the underlying business
- acquisition costs
- amortisation of intangible assets recognised on acquisition
- acquisition consideration classified as an employee cost under IFRS 3 Business Combinations.

Key accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Actual results could differ from these estimates. These underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or future periods.

2 SEGMENTAL ANALYSIS

The services provided by the Group consist of chartering different types of aircraft and related aviation services.

The Group has four operating segments: Commercial Jets, Private Jets and Freight (comprising Broking) and Consulting & Training. Due to a change of reporting line, Emergency Planning is now included with Consulting & Training – the prior period comparatives have been restated to reflect this change.

Overheads, with the exception of Corporate costs, are allocated to the Group's operating segments in relation to operating activities.

Sales transactions between operating segments are carried out on an arm's length basis. All results, assets and liabilities reviewed by the Board (which is the chief operating decision maker) are prepared on a basis consistent with those that are reported in the financial statements.

The Board does not review gross transactional value, revenue, assets or liabilities at segmental level, therefore these items are not disclosed.

The segmental information, as provided to the Board on a monthly basis, is as follows:

Half year ended 31 July 2017 (unaudited) Continuing operations	*Commercial Jet Broking £'000*	*Private Jet Broking £'000*	*Freight broking £'000*	Broking £'000	Consulting & Training £'000	Corporate costs £'000	**Total £'000**
Segmental gross profit	*9,444*	*5,140*	*1,073*	15,657	2,461	-	**18,118**
Depreciation and amortisation	*(139)*	*(90)*	*(1)*	(230)	(49)	-	**(279)**
Underlying operating profit	*2,736*	*1,376*	*577*	4,689	408	(945)	**4,152**
Other items (see note 3)	*(147)*	-	-	(147)	(224)	-	**(371)**
Segment result	*2,589*	*1,376*	*577*	4,542	184	(945)	**3,781**
Finance income							**2**
Finance expense							**(104)**
Profit before tax							**3,679**
Tax							**(1,082)**
Profit after tax							**2,597**

Half year ended 31 July 2016 (unaudited) Continuing operations	*Commercial Jet Broking £'000*	*Private Jet Broking £'000*	*Freight broking £'000*	Broking £'000	Consulting & Training £'000	Corporate costs £'000	**Total £'000**
Segmental gross profit	*7,025*	*5,122*	*751*	12,898	3,243	-	**16,141**
Depreciation and amortisation	*(90)*	*(63)*	-	(153)	(42)	-	**(195)**
Underlying operating profit	*1,896*	*1,464*	*306*	3,666	406	(1,018)	**3,054**

Other items (see note 3)	*(111)*	-	-	(111)	(274)	-	**(385)**
Segment result	*1,785*	*1,464*	*306*	3,555	132	(1,018)	**2,669**
Finance income							**8**
Finance expense							**(49)**
Profit before tax							**2,628**
Tax							**(713)**
Profit after tax							**1,915**

Year ended 31 January 2017 **Continuing operations**	*Commercial Jet Broking £'000*	*Private Jet Broking £'000*	*Freight broking £'000*	Broking £'000	Consulting & Training £'000	Corporate costs £'000	**Total £'000**
Segmental gross profit	*14,126*	*10,236*	*1,113*	25,475	6,232	-	**31,707**
Depreciation and amortisation	*(249)*	*(162)*	-	(411)	(62)	-	**(473)**
Underlying operating profit	*3,508*	*2,491*	*233*	6,232	867	(1,985)	**5,114**
Other items (see note 3)	*(182)*	-	-	(182)	(399)	(128)	**(709)**
Segmental result	*3,326*	*2,491*	*233*	6,050	468	(2,113)	**4,405**
Finance income							**39**
Finance expense							**(96)**
Profit before tax							**4,348**
Tax							**(1,501)**
Profit after tax							**2,847**

The company is domiciled in the UK but due to the nature of the Group's operations, a significant amount of gross profit is derived from overseas countries. The Group reviews gross profit based upon location of the assets used to generate that gross profit. Apart from the UK, no single country is deemed to have material non-current asset levels other than goodwill in relation to the French operation.

The Board also reviews information on a geographical basis based on parts of the world which are considered to be key to operational activities. As a result, the following additional information is provided showing a geographical split of the United Kingdom, Europe, the United States of America and the Rest of the World:

Continuing operations	United Kingdom £'000	Europe £'000	United States of America £'000	Rest of the World £'000	**Total £'000**
Half year ended 31 July 2017 (unaudited)					
Gross profit	9,837	4,633	3,046	602	**18,118**
Non-current assets (excluding deferred tax assets)	8,486	1,092	158	3	**9,739**
Half year ended 31 July 2016 (unaudited)					
Gross profit	10,286	4,274	1,511	70	**16,141**
Non-current assets (excluding deferred tax assets)	8,262	1,096	42	5	**9,405**
Year ended 31 January 2017 (audited)					
Gross profit	18,812	8,930	3,771	194	**31,707**
Non-current assets (excluding deferred tax assets)	8,696	1,090	39	4	**9,829**

Europe can be further analysed as:

Continuing operations	France £'000	Germany £'000	Italy £'000	Other £'000	**Total £'000**
Half year ended 31 July 2017 (unaudited)					
Gross profit	1,772	996	1,215	650	**4,633**
Half year ended 31 July 2016 (unaudited)					
Gross profit	1,595	1,198	954	527	**4,274**
Year ended 31 January 2017 (audited)					
Gross profit	3,047	2,547	1,854	1,482	**8,930**

3 OTHER ITEMS

Continuing operations	**31 July 2017 (unaudited)**	31 July 2016 (unaudited)	31 January 2017 (audited)

	£'000	£'000	£'000
Restructuring costs	**(13)**	**(161)**	(183)
Amortisation of intangibles arising on acquisition	**(152)**	**(171)**	(304)
Acquisition costs	**(174)**	**-**	(128)
Acquisition consideration treated as an employee related share based payment cost under IFRS3 "Business Combinations"	**(32)**	**(53)**	(94)
	(371)	**(385)**	(709)
Tax effect of other items	**26**	**32**	153
Other items after taxation	**(345)**	**(353)**	(556)

Restructuring costs in the current and prior period relate to changes in the management structure following the acquisitions made in the prior period.

4 DIVIDENDS

	Half year to 31 July 2017 (unaudited) £'000	Half year to 31 July 2016 (unaudited) £'000
Amounts recognised as distributions to owners of the parent company		
Final dividend for the year ended 31 January 2017 of 3.6 pence (half year to 31 July 2016: final dividend for the year ended 31 January 2016 of 3.5 pence)	**1,869**	1,741

5 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

Continuing and discontinued operations	**31 July 2017 (unaudited) £'000**	31 July 2016 (unaudited) £'000	31 January 2017 (audited) £'000
Earnings for the calculation of basic and diluted earnings per share			
Profit attributable to owners of the parent company	**2,597**	1,915	2,847
Adjustment to exclude other items	**345**	353	556
Underlying profit attributable to owners of the parent company	**2,942**	2,268	3,403

Number of shares	**Number**	Number	Number
Weighted average number of ordinary shares for the calculation of basic earnings per share	**52,687,808**	50,915,335	52,361,659
Effect of dilutive potential ordinary shares: share options	**1,133,970**	225,470	1,133,083
Weighted average number of ordinary shares for the calculation of diluted earnings per share	**53,821,779**	51,140,805	53,494, 742

On 25 January 2017, the Company's shareholders approved a 5 to 1 split of the Company's shares, which reduced the nominal value of the ordinary shares to 1 pence each. The share split became effective on 31 January 2017. As a result the prior period number of shares and EPS calculations have been restated to show comparable numbers.

The calculation of underlying earnings per share (before other items) is included as the directors believe it provides a better understanding of the underlying performance of the Group. Other items are disclosed in note 3.

6 GOODWILL

	£'000
Cost	
At 1 February 2016	**3,346**
Foreign currency adjustments	**94**
At 31 July 2016	**3,440**
At 1 February 2017	**3,787**
Foreign currency adjustments	**73**
At 31 July 2017	**3,860**
Provision for impairment	
At 1 February 2016, 31 July 2016 and 31 July 2017	**–**

Net book value

At 31 July 2017	**3,860**
At 31 July 2016	**3,440**
At 31 January 2017	**3,787**

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs), or group of units that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill has been allocated as follows:

	31 July 2017 £'000	31 July 2016 £'000
Air Partner International S.A.S. (France)	**1,015**	942
Cabot Aviation Services Limited	**787**	787
Baines Simmons Limited (Training and Consulting)	**1,072**	1,072
Baines Simmons Limited (Managed Services)	**639**	639
Clockwork Research Limited	**347**	-
	3,860	3,440

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The directors do not believe that there are any reasonably possible changes to the key assumptions that would result in a material impairment of goodwill.

7 NET CASH INFLOW FROM OPERATING ACTIVITIES

	Half year to 31 July 2017 £'000	Half year to 31 July 2016 £'000
Profit for the period	**2,597**	1,915
Adjustments for:		
Finance income	**(2)**	(8)
Finance expense	**104**	49
Income tax expense	**1,082**	713
Depreciation and amortisation	**432**	419
Fair value (gains)/losses on derivative financial instruments	**(12)**	41
Share option cost for period	**299**	122
Decrease in provisions	**-**	(421)
Foreign exchange differences	**(1,081)**	(937)
Operating cash inflows before movements in working capital	**3,419**	1,893
Increase in receivables	**(13,605)**	(7,695)
Increase in payables	**21,100**	11,315
Cash generated from operations	**10,914**	5,513
Income taxes paid	**(731)**	(376)
Interest paid	**(104)**	(49)
Net cash inflow from operating activities	**10,079**	5,088

8 TAXATION

	Total		
	Half year to 31 July 2017 (unaudited) £'000	Half year to 31 July 2016 (unaudited) £'000	Year ended 31 Jan 2017 (audited) £'000
Current tax:			
UK corporation tax	**925**	**468**	528
Foreign tax	**157**	**280**	822

Current tax adjustments in respect of prior years (UK)	-	-	376
Current tax adjustments in respect of prior years (overseas)	-	-	66
	1,082	**748**	1,792
Deferred tax	**26**	**(35)**	(291)
Total tax	**1,108**	**713**	1,501
Of which:			
Tax on underlying profit	**1,108**	**745**	1,654
Tax on other items (see note 3)	**(26)**	**(32)**	(153)
	1,082	**713**	1,501

9 EVENTS AFTER THE BALANCE SHEET DATE

On 27 September 2017 Air Partner plc acquired the entire share capital of SafeSkys Limited for a total net of consideration of £3.0m, obtaining control of the company on that date. SafeSkys Limited is a leading environmental and air traffic control services provider to UK and international airports. The acquisition has been funded from the Group's cash resources. Due to the proximity of the transaction to the reporting date, the purchase price allocation accounting has not been finalised. Details of the acquisition accounting will be provided in the annual report for the year ending 31 January 2018.

INDEPENDENT REVIEW REPORT TO AIR PARTNER PLC

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 July 2017 which comprises the income statement, the statement of financial position, the statement of changes in equity, the cash flow statement and related notes 1 to 9. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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

Our responsibility

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

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 July 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP

Statutory Auditor
Crawley, United Kingdom
27 September 2017