AIR PARTNER
Aircraft Charter since 1961

STRONG FIRST HALF TRADING PERFORMANCE AND GOOD STRATEGIC PROGRESS

Air Partner

"Our first half performance is a great testament to all of those who work at Air Partner and shows that by putting customers at the heart of our business we can differentiate ourselves from our competition and deliver good trading momentum. The integration of Cabot Aviation has gone well and we are seeing benefits from leveraging our customer and supplier relationships, as well as new remarketing opportunities arising as a result of being part of our Group. The purchase of Baines Simmons in August is an exciting opportunity for Air Partner to extend the Group's service and product capabilities and should further strengthen our customer proposition. As well as the benefits that the acquisitions should provide for our customers, they are important steps in the Group's aim to build wider and more stable revenue streams that sit alongside and complement our broking activities."

Mark Briffa
Chief Executive Officer

Air Partner plc is a world-class air charter broking company. We have been working in the aviation industry since 1961 and it is this experience, along with unparalleled customer service, which gives our customers access to the right aircraft to provide the best solution for every type of business, in every country in the world, for any conceivable mission.

Throughout this report "Air Partner", "the Company", "the Group" is used to describe Air Partner plc.

Highlights

	31 July 2015	31 July 2014	% change
Gross transaction value*	**£110.2m**	£93.1m	18
Gross profit	**£12.1m**	£10.6m	13
Underlying PBT†	**£2.2m**	£1.1m	100
Statutory PBT	**£1.9m**	£1.1m	70
Cash#	**£15.0m**	£18.0m	(17)
Underlying basic EPS	**17.1p**	13.6p	26
Statutory basic EPS	**14.4p**	13.6p	6
Interim dividend	**7.33p**	6.66p	10

* following the change in revenue recognition (see note 1 to the unaudited financial information), gross transaction value as opposed to the statutory revenue amount of £22.2m (2014: £18.8m) is stated.

† 'underlying' profit is profit from continuing operations before other items. Other items includes acquisition costs, amortisation of intangible assets arising on acquisition and acquisition consideration treated as employee costs under IFRS3 'Business combinations'.

includes JetCard cash of £13.6m (2014: £11.9m).

Financial highlights:

- Underlying PBT of £2.2m, a year-on-year increase of 100%
- Underlying EPS of 17.1p, a year-on-year increase of 26%, lower than the increase in underlying PBT due to the non-recurrence of last year's tax credits
- After £0.3m of other items, statutory PBT rose by 70% to £1.9m
- Total cash balances including JetCard deposits of £15.0m (£18.0m)
- Excluding JetCard deposits, cash balances decreased to £1.4m from £6.1m due to working capital movements associated with some of our largest credit customers and the acquisition of Cabot Aviation Services Limited
- Interim dividend of 7.33p, a year-on-year increase of 10%
- The trading outlook for the full year remains in line with the Board's expectations

Operating highlights:

- A strong performance in Commercial Jets, particularly in the UK and Europe but the US was impacted by lower activity from a key customer
- Private Jets in the UK performed well, although Europe was sluggish and the US was below expectations
- JetCard utilisation up by 22% with a record number of JetCards in issue

Strategic highlights:

- Implementation of our Customer First programme has begun
- The successful acquisition and integration of Cabot Aviation Services Limited, a leading Aircraft Remarketing company for a net consideration of up to £1.1m
- Acquisition of Baines Simmons Limited, a world leader in Aviation Safety Consulting, announced on 19 August for a net consideration of up to £6.0m

Chairman's statement

"The Board is pleased to report an encouraging performance for the six months to 31 July 2015."

Richard Everitt
Chairman

The Board is pleased to report an encouraging performance for the six months to 31 July 2015. Gross profit rose by 13% to £12.1m while underlying operating profit and underlying profit before tax increased twofold to £2.2m. Reported pre-tax profit rose by 70% to £1.9m after a charge £0.3m relating to acquisitions.

The underlying performance resulted from improved trading in the Commercial Jets division which increased its operating profit by 51% to £1.7m (2014: £1.1m), along with progress in both our Private Jet and Freight divisions, which delivered operating profit of £0.9m and £0.4m respectively. The Group's underlying basic earnings per share has increased by 26% to 17.1p, lower than the increase in underlying pre-tax profits due to non-recurrence of last year's tax credits.

Non-JetCard cash has fallen by £4.7m to £1.4m. The two main factors behind this relate to working capital movements as a result of increased charter demand from some of our largest credit customers, as well as acquisition investments and associated costs in the period.

Our strategy is to build a world class aviation services group, delivering tailored and comprehensive aviation solutions to our customers globally. We will enable this through continuous improvement, delivering high levels of service and an enhanced customer experience and through the enhancement of existing services. Where appropriate, this will also be achieved through the acquisition and integration of complementary services that broaden our customer offering and enhance the quality and visibility of our earnings.

Our Customer First programme is a clear commitment to continuous improvement. Customer First unequivocally puts our customers at the heart of every decision that we make and with improved services and efficiencies, it will enable us to differentiate ourselves from the competition and build upon our already strong brand identity. The programme will be rolled out across the whole of the business for the start of the next financial year.

Since the year end we have added new capabilities and services to our customer proposition. In May 2015, Air Partner announced the acquisition of Cabot Aviation, a leading global Aircraft Remarketing broker for a total net consideration of up to £1.1m and, after the period end, we announced the acquisition of Baines Simmons Limited, a world leading Aviation Safety consultant for a total net cash consideration of up to £6.0m.

The Board remains confident in the Group's long-term prospects and is pleased to announce an interim dividend of 7.33p (2014: 6.66p), an increase of 10% on last year, which is expected to be paid on 28 October 2015 to those shareholders on the register at 2 October 2015.

Given the first half performance and good current trading, the Board remains confident that its expectations for the remainder of the financial year should be achieved.

Richard Everitt

Richard Everitt
Chairman
23 September 2015

"Air Partner has embarked on an exciting 'Customer First' programme, which should further grow and extend the differentiation of our customer service proposition."

Mark Briffa
Chief Executive Officer

The strong results in the first half are an encouraging start to the current financial year and while all the Group's trading divisions have contributed positively, our UK Commercial Jets business performed exceptionally in the period, rebounding from the weak first half performance of last year.

The Group's underlying profit before tax has increased to £2.2m, which is a 100% increase on the same period in the prior year and reflects the tremendous effort made by all our staff. We can demonstrate that by putting our customers first, we can provide an unrivalled and differentiated service, together with a value for money proposition, a recipe which is good for all of those who fly with us as well as for our shareholders.

I am delighted to welcome two new brands to the Air Partner group: Cabot Aviation, a leading remarketer of commercial aircraft and Baines Simmons, a world-leading consultancy and training business in the aircraft safety regulation sector. Both companies have outstanding reputations and exceptional expertise that bring new services and capabilities to Air Partner. We believe that many exciting opportunities lie ahead and that together, we are in a stronger position than ever before to deliver a range of customer-focused aviation solutions.

Customer First

Air Partner has embarked on an exciting 'Customer First' programme, which should further grow and extend the differentiation of our customer service proposition. We believe that Customer First will be an enabler to providing our customers with an unrivalled level of customer experience which in turn will enhance our brand identity.

Following an extensive customer feedback exercise during 2014, we identified certain components of our customer's journey that were inconsistent and the programme was put in place to enable us first, to understand these inconsistencies and then to put into place an integrated approach to all of the component parts of the customer journey. Our customers are vital to Air Partner's success and we are committed to fully understanding their needs and requirements in order to improve customer loyalty. In addition, our Customer First sales and marketing strategy will enable us to identify and attract new customers who, once on board, will benefit from the experience and expertise of our most important assets, our people.

By being proactive rather than reactive and by listening to our customer's needs we can provide an augmented customer journey which, alongside developments and improvements in our operating processes, should enable us to improve the efficiency of our customer service delivery. Customer First will be an enabler towards ensuring that our people, our processes and our systems work in a true partnership with our customers.

The programme will be rolled out across the entire broking business in readiness for the start of the new financial year.

PROFIT BEFORE TAX
£2.2m

Commercial Jets
Gross profit in the period increased by 16% to £6.8m and underlying operating profit rose by 51% to £1.7m. The increase has largely been driven by improved trading in the UK, which performed below expectations in the prior year and in Europe, which benefited from a larger tour operating programme compared to summer 2014.

Within the UK Commercial Jet team we increased our focus on developing a clearer sales strategy, invested in key talent and focused on improving the service levels we provide to our customer base. Success stories for the UK include a strong contribution in the Oil & Gas sector, sports, particularly with football teams, along with continued government work.

Trading in Commercial Jets in Europe has been pleasing, benefitting from a larger tour operating programme as well as a strong performance in Germany, largely in the automotive sector. Austria delivered a stable performance while results in Italy were down year-on-year mostly due to Government related work in 2014 which has not been repeated this year. Despite some new customer gains, the performance in the US has been behind our expectations due to a lower number of one-off charters, as well as less activity than expected from a key customer.

Cabot Aviation results are included within the Commercial Jets division. Cabot's main business is acting as agent and broker to airlines (flag carriers and regional) and other aircraft owners, such as banks, operating lessors, manufacturers and insolvency practitioners, to dispose of their surplus aircraft, either by arranging a sale or lease of the aircraft. Cabot also advises clients on the acquisition of aircraft and their fleet management process.

Air Partner's existing Aircraft Remarketing operations are predominantly in the short-term wet lease market. The acquisition of Cabot Aviation adds significant aircraft sales and dry lease expertise and knowledge, channels where Air Partner has previously experienced demand from its existing client base. The integration of Cabot has progressed well and the business is now located out of our Gatwick head office.

Since acquisition, Cabot has been appointed as exclusive marketing agent by China Airlines for two B747-400s as well as by Kenya Airways for four B777-200ERs.

Private Jets
Our Private Jet division comprises two distinct product offerings: JetCard, Air Partner's private jet card programme with transparent pricing and no hidden charges, and ad hoc broking, our on demand charter.

For the combined division, gross profit in the period increased by 4% to £4.4m and underlying operating profit rose by 59% to £0.9m. The increase was largely driven by a strong performance in the UK, somewhat offset by a weaker than expected performance in the US.

For JetCard, the targeted sales focus has seen deposits rise to £13.6m from £11.9m as at 31 July 2014. Utilisations have improved by 22% year-on-year, which helped JetCard deliver its strongest performance since launch in 2004. The number of cardholders now stands at a record high of 220, up by 45 cards on the prior year, equivalent to an increase of 26%. This is a great testament to our flexible card product which was verified by Conklin and de Decker in an independent study in April 2015, to be the most flexible product in the market.

The highest increase in JetCard numbers was seen in the US, with 23 new JetCards since the first half of last year, while the UK saw an increase of 15 and Europe added 7 new cardholders.

Our ad hoc performance has been mixed. While the performance in the UK has been strong, the US and European businesses have experienced a decline in gross profit when compared to last year, albeit a sharp focus on costs has minimised the impact at an operating profit level.

Freight

Following its improved performance in the second half of last year, it has been pleasing to see our Freight division making continued progress in this period, delivering a 52% increase in gross profit to £0.9m and an underlying operating profit of £0.4m compared to a breakeven last year.

We have continued our work with government aid agencies to assist in a number of geopolitical crises and in addition, good growth has been seen in our UK, German and US businesses, albeit from a small base. We have benefitted from our continued focus on developing stronger relationships and a good reputation with freight forwarders. In addition, our 'Red Track' technology has contributed to the success of our AOG (aircraft on ground) business. Freight remains a key component of Air Partner's aviation service proposition and it is encouraging to see our focus and investments delivering a continued and improved performance.

Strategy

Our aim is to build a world class aviation services group. We have a strong business which we believe will be enhanced by Customer First through the delivery of exceptional service levels. The acquisition of Cabot Aviation and Baines Simmons will significantly enhance our service and product capabilities.

Cabot is starting to gain leverage from Air Partner's existing customer relationships and benefit from being part of a fully-listed public limited company.

Subsequent to the half year end, Air Partner acquired Baines Simmons, a world leading Aviation Safety consultant specialising in aviation regulation, compliance and safety management. Aviation Safety is an attractive market with a strong regulatory framework which is experiencing increasingly changing and challenging compliance needs.

Baines Simmons is a trusted advisor to more than 750 aviation organisations and more than 40 aviation authorities and helps to advance best practice, shape safety thinking and drive continuous improvement to safety performance. The business has three service offerings: consulting, training and outsourced services, all of which have attractive growth characteristics.

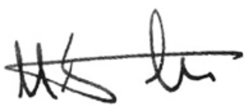
The reaction to the transaction both from our employees and customers has been extremely positive, as has the reaction of Baines Simmons' employees and customers. Although it has only been part of the Air Partner family for a matter of weeks, the first joint collaboration has already taken place at the recent SPE Offshore Europe conference and exhibition, with Baines Simmons being able to offer its aircraft auditing services to Air Partner charter customers.

The integration has begun in earnest and we will provide a progress update at the time of our preliminary results in April 2016.

Outlook

This has been an encouraging first half performance and the Board remains confident that its full year expectations for the enlarged Air Partner group can be achieved. The successes behind the improved trading, notably UK Commercial Jets and our tour operations in Europe, should continue into the latter half of the year. There are also many reasons to expect that the momentum within Private Jets, namely with JetCard and the UK's ad hoc division, can be maintained. Challenges remain, particularly the performance in the US and the sluggishness of Private Jets in Europe and we are cognisant of the need to deliver improvements in these areas.

I would like to express my sincere thanks to all of my Air Partner colleagues, including the new additions to our team from Cabot Aviation and Baines Simmons, for the hard work, dedication and commitment that they have shown throughout the year so far. I am proud of our people and the standards of excellent service that they deliver to our customers day in and day out.



Mark Briffa
Chief Executive Officer
23 September 2015

CASH BALANCE

£15.0m

Revenue Recognition

During the period the directors reviewed the Group's revenue recognition methodology. Following this review, which was conducted with reference to the contractual terms between the Group and its customers, the directors determined that it was more appropriate to recognise the majority of the Group's customer contracts on an agency basis, rather than that of principal. Accordingly, revenue for the half year to 31 July 2014 has been restated at £18.8m and that for the year ended 31 January 2015 has been restated at £37.6m, due to this change in methodology. The Group will continue to present the former revenue amount, now called "Gross transaction value" on the face of the income statement. Further details of this change in methodology are provided in note 1.

There has been no impact on reported profit, net assets or cash flows as a result of this change in methodology.

Cash

The total cash balance of £15.0m has decreased from the prior year comparative of £18.0m. However, JetCard deposits have increased by 14% over the same period to £13.6m reflecting the strong sales of new cards. The reduction in non-JetCard cash of £4.7m to £1.4m has largely been driven by adverse working capital movements of £4.4m, in particular through the increase of receivables to our larger credit clients as well as the acquisition of Cabot Aviation.

Taxation

The prior year tax position benefited from two one-off initiatives which resulted in the recognition of deferred tax assets, namely a research and development claim and the impact of changing the tax basis for JetCards in the US, which resulted in the overall tax balance being a credit to income. In the current period, the Group's effective tax rate is 23%. While this is higher than the UK corporation tax rate, it is lower than the Group's historic effective rate due to a change in geographic profit mix, and in particular, the lower profitability of the US business during the period.

Foreign Exchange

Where possible the Group uses natural hedging to minimise its foreign exchange exposure, for example matching JetCard deposits denominated in Euro with the respective deferred income, or when possible, using forward contracts to fix rates to pay its suppliers.

Post balance sheet events

Following the balance sheet date, Air Partner acquired the entire share capital of Baines Simmons Limited for a net consideration of up to £6.0m, funded by the combination of a new £3.6m banking facility and existing cash resources. Further details of the acquisition are disclosed in note 12 to this report.

Neil Morris
Chief Financial Officer
23 September 2015

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 always 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 are trends 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 and remarketing 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 2015, 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 economic instability in the major world markets for the foreseeable future.

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 period ended 31 January 2015, other than the addition of Cabot Aviation Services Limited. 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.

Directors' Responsibility Statement

After making enquiries, the directors are satisfied that the Group and 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. The directors confirm that, to the best of their knowledge:

a) The condensed set of financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4R;

b) The interim report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

c) The interim report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties transactions and changes therein).

Mark Briffa
Chief Executive Officer
23 September 2015

Neil Morris
Chief Financial Officer
23 September 2015

The directors of Air Partner plc are listed in the Group's Annual Report and Accounts for the year ended 31 January 2015 and on our website at www.airpartner.com.

Condensed consolidated income statement
for the half year ended 31 July 2015 (unaudited)

		Half year ended 31 July 2015			Half year ended 31 July 2014 (as restated – see note 1)			Year ended 31 January 2015 (as restated – see note 1)		
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)	1	**110,226**	**–**	**110,226**	93,130	–	93,130	192,100	–	192,100
Revenue	1	**22,150**	**–**	**22,150**	18,835	–	18,835	37,585	–	37,585
Gross profit		**12,066**	**–**	**12,066**	10,643	–	10,643	22,025	–	22,025
Administrative expenses	3	**(9,825)**	**(342)**	**(10,167)**	(9,529)	–	(9,529)	(19,393)	–	(19,393)
Operating profit		**2,241**	**(342)**	**1,899**	1,114	–	1,114	2,632	–	2,632
Finance income		**3**	**–**	**3**	10	–	10	25	–	25
Finance expense		**(8)**	**–**	**(8)**	(8)	–	(8)	(21)	–	(21)
Profit before tax		**2,236**	**(342)**	**1,894**	1,116	–	1,116	2,636	–	2,636
Taxation	7	**(511)**	**67**	**(444)**	280	–	280	151	–	151
Profit for the period from continuing operations		**1,725**	**(275)**	**1,450**	1,396	–	1,396	2,787	–	2,787
Discontinued operations										
Loss for the period from discontinued operations		**–**	**–**	**–**	(4)	–	(4)	(7)	–	(7)
Profit for the period		**1,725**	**(275)**	**1,450**	1,392	–	1,392	2,780	–	2,780
Attributable to:										
Owners of the parent company		**1,725**	**(275)**	**1,450**	1,392	–	1,392	2,780	–	2,780
Earnings per share:										
Continuing operations										
Basic	5	**17.1p**	**(2.7)p**	**14.4p**	13.6p	–	13.6p	27.7p	–	27.7p
Diluted	5	**17.0p**	**(2.7)p**	**14.3p**	13.1p	–	13.1p	27.5p	–	27.5p
Discontinued operations										
Basic	5	**–**	**–**	**–**	–	–	–	(0.1)p	–	(0.1)p
Diluted	5	**–**	**–**	**–**	–	–	–	(0.1)p	–	(0.1)p
Continuing and discontinued operations										
Basic	5	**17.1p**	**(2.7)p**	**14.4p**	13.6p	–	13.6p	27.6p	–	27.6p
Diluted	5	**17.0p**	**(2.7)p**	**14.3p**	13.1p	–	13.1p	27.4p	–	27.4p

* Other items includes acquisition costs, amortisation of intangible assets arising on acquisition and acquisition consideration treated as employee costs under IFRS3 'Business combinations'

Condensed consolidated statement of comprehensive income
for the half year ended 31 July 2015 (unaudited)

	Half year ended 31 July 2015 £'000	Half year ended 31 July 2014 £'000	Year ended 31 January 2015 £'000
Profit for the period	**1,450**	1,392	2,780
Exchange differences on translation of foreign operations	**(231)**	(63)	(8)
Total comprehensive income for the year	**1,219**	1,329	2,772
Attributable to:			
Owners of the parent company	**1,219**	1,329	2,772

Condensed consolidated statement of changes in equity
for the half year ended 31 July 2015 (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 2014	513	4,518	–	(1,154)	1,101	1,430	6,105	**12,513**
Profit for the period	–	–	–	–	–	–	1,392	**1,392**
Exchange differences on translation of foreign operations	–	–	–	–	(63)	–	–	**(63)**
Total comprehensive income for the period	–	–	–	–	(63)	–	1,392	**1,329**
Share option movement for the period	–	–	–	–	–	(31)	–	**(31)**
Deferred tax on share based payment transactions	–	–	–	–	–	–	(14)	**(14)**
Share options exercised during the period	–	–	–	103	–	–	(22)	**81**
Dividends paid	–	–	–	–	–	–	(1,406)	**(1,406)**
Closing equity at 31 July 2014	513	4,518	–	(1,051)	1,038	1,399	6,055	**12,472**

	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 2015	513	4,518	–	(1,051)	1,093	1,485	6,753	**13,311**
Profit for the period	–	–	–	–	–	–	1,450	**1,450**
Exchange differences on translation of foreign operations	–	–	–	–	(231)	–	–	**(231)**
Total comprehensive income for the period	–	–	–	–	(231)	–	1,450	**1,219**
Issue of shares	9	296	295	(300)	–	–	–	**300**
Share option movement for the period	–	–	–	–	–	52	–	**52**
Share options exercised during the period	–	–	–	152	–	–	(67)	**85**
Dividends paid	–	–	–	–	–	–	(1,578)	**(1,578)**
Closing equity at 31 July 2015	522	4,814	295	(1,199)	862	1,537	6,558	**13,389**

Condensed consolidated statement of financial position
as at 31 July 2015

	Note	31 July 2015 (unaudited) £'000	31 July 2014 (unaudited) £'000	31 January 2015 (audited) £'000
Non-current assets				
Goodwill		**1,500**	917	838
Other intangible assets	8	**1,361**	660	1,066
Property, plant and equipment		**1,155**	1,387	1,273
Deferred tax assets		**256**	1,019	299
		4,272	3,983	3,476
Current assets				
Trade and other receivables		**41,829**	37,194	21,029
Current tax assets		**985**	376	1,157
Restricted bank balances		***2,454***	–	*1,842*
Other cash and cash equivalents		***12,500***	*17,968*	*16,952*
Cash and cash equivalents		**14,954**	17,968	18,794
		57,768	55,538	40,980
Total assets		**62,040**	59,521	44,456
Current liabilities				
Trade and other payables		**(8,744)**	(8,716)	(2,660)
Current tax liabilities		**(199)**	(85)	(87)
Other liabilities		**(5,400)**	(4,395)	(4,067)
Deferred income		**(33,509)**	(33,224)	(23,669)
Provisions	10	**(507)**	(510)	(512)
Derivative financial instruments		**(292)**	(119)	(150)
		(48,651)	(47,049)	(31,145)
Net current assets		**9,117**	8,489	9,835
Total liabilities		**(48,651)**	(47,049)	(31,145)
Net assets		**13,389**	12,472	13,311
Equity				
Share capital		**522**	513	513
Share premium account		**4,814**	4,518	4,518
Merger reserve		**295**	–	–
Own shares		**(1,199)**	(1,051)	(1,051)
Translation reserve		**862**	1,038	1,093
Share option reserve		**1,537**	1,399	1,485
Retained earnings		**6,558**	6,055	6,753
Total equity		**13,389**	12,472	13,311

Condensed consolidated statement of cash flows
for the half year ended 31 July 2015 (unaudited)

	Note	Half year ended 31 July 2015 £'000	Half year ended 31 July 2014 £'000
Net cash (outflow)/inflow from operating activities	6	**(1,216)**	1,981
Investing activities			
Interest received		**3**	10
Net cash outflow on acquisition of subsidiary	11	**(524)**	–
Purchases of property, plant and equipment		**(35)**	(777)
Purchases of intangible assets	8	**(114)**	(276)
Net cash used in investing activities		**(670)**	(1,043)
Financing activities			
Dividends paid		**(1,578)**	(1,406)
Proceeds on exercise of share options		**85**	81
Net cash used in financing activities		**(1,493)**	(1,325)
Net decrease in cash and cash equivalents		**(3,379)**	(387)
Opening cash and cash equivalents		**18,794**	18,419
Effect of foreign exchange rate changes		**(461)**	(64)
Cash and cash equivalents at end of year		**14,954**	17,968

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:

	31 July 2015 £'000	31 July 2014 £'000
JetCard cash restricted in its use	**2,454**	–
JetCard cash unrestricted in its use	**11,110**	11,859
Total JetCard cash	**13,564**	11,859
Non-JetCard cash	**1,390**	6,109
Cash and cash equivalents	**14,954**	17,968

Notes to the unaudited financial information
for the half year ended 31 July 2015

1 Accounting policies

Basis of preparation

This condensed financial information for the half year ended 31 July 2015 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. It was authorised for issue by the Board on 23 September 2015. These interim condensed financial statements are unaudited and should be read in conjunction with the annual financial statements for the year ended 31 January 2015.

The financial information contained in this document does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The independent auditor, Deloitte LLP, issued an unqualified opinion on the Group's statutory financial statements under International Financial Reporting Standards ("IFRS") as adopted by the European Union for the year ended 31 January 2015. The auditor's report did not draw attention to any matter of emphasis and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006. The statutory accounts for the year ended 31 January 2015 have been filed with the Registrar of Companies.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 January 2015, with the exception of the change in accounting methodology in relation to revenue recognition detailed below.

Restatement of prior period

During the period the directors reviewed the Group's revenue recognition methodology. Following this review, which was conducted with reference to the contractual terms between the Group and its customers, the directors determined that it was more appropriate to recognise the majority of the Group's customer contracts on an agency basis, rather than that of principal. Accordingly, revenue for the half year to 31 July 2014 has been restated at £18.8m and that for the year ended 31 January 2015 has been restated at £37.6m due to this change in methodology. The Group will continue to present the former revenue amount, now called "Gross transaction value" on the face of the income statement.

There has been no impact on reported profit, net assets or cash flows as a result of this change in methodology.

The table below reconciles the income statement for the half year ended 31 July 2014 as previously reported to the current position:

Half year to 31 July 2014 (unaudited) Continuing operations	As previously stated £'000	Change in revenue methodology £'000	**Total £'000**
Revenue	93,130	(74,295)	**18,835**
Gross profit	10,643	–	**10,643**
Administrative expenses	9,529	–	**9,529**
Operating profit	1,114	–	**1,114**

The table below reconciles the income statement for the year ended 31 January 2015 as previously reported to the current position:

Year ended 31 January 2015 (audited) Continuing operations	As previously stated £'000	Change in revenue methodology £'000	**Total £'000**
Revenue	192,100	(154,515)	**37,585**
Gross profit	22,025	–	**22,025**
Administrative expenses	(19,393)	–	**(19,393)**
Operating profit	2,632	–	**2,632**

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 report.

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 in the period of the revision and future periods if these are also affected.

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

The Group has 3 operating segments: Commercial Jet Broking, Private Jet Broking and Freight. Overheads, with the exception of Corporate costs, are allocated to the Group's operating segments in relation to operating activities.

The segmental analysis for the half year ending 31 July 2014 and for the year ending 31 January 2015 has been restated following the change in accounting methodology referred to in note 1. All results, assets and liabilities which are reviewed by the Board, which is the chief operating decision maker, are prepared on a basis consistent with those reported in the financial statements. The Board does not review assets and liabilities at a segmental level, therefore these items are not disclosed.

Transactions between operating segments are carried out on an arm's length basis.

Notes to the unaudited financial information
for the half year ended 31 July 2015 continued

2 Segmental analysis continued

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

Half year to 31 July 2015 (unaudited) Continuing operations	Commercial Jet Broking £'000	Private Jet Broking £'000	Freight £'000	Corporate costs £'000	**Total £'000**
Segmental gross profit	6,763	4,361	942	–	**12,066**
Underlying depreciation and amortisation	114	62	–	–	**176**
Other amortisation	43	–	–	–	**43**
	157	62	–	–	**219**
Underlying segmental operating profit	1,717	939	394	(809)	**2,241**
Other items	(72)	–	–	(270)	**(342)**
Segmental operating profit	1,645	939	394	(1,079)	**1,899**
Finance income					**3**
Finance expense					**(8)**
Profit before tax					**1,894**
Tax					**(444)**
Profit after tax					**1,450**
Discontinued operations					**–**
Profit for the year					**1,450**

Amortisation of £43,000 on acquisition related intangible assets (31 July 2014 and 31 January 2015: £nil) is included in other items (see note 3).

Half year to 31 July 2014 (unaudited) Continuing operations	Commercial Jet Broking £'000	Private Jet Broking £'000	Freight £'000	Corporate costs £'000	**Total £'000**
Segmental gross profit	5,829	4,195	619	–	**10,643**
Depreciation and amortisation	(60)	(33)	–	–	**(93)**
Underlying segmental operating profit	1,136	590	–	(612)	**1,114**
Other items	–	–	–	–	**–**
Segmental operating profit	1,136	590	–	(612)	**1,114**
Finance income					**10**
Finance expense					**(8)**
Profit before tax					**1,116**
Tax					**280**
Profit after tax					**1,396**
Discontinued operations					**(4)**
Profit for the year					**1,392**

2 Segmental analysis continued

Year ended 31 January 2015 (unaudited) Continuing operations	Commercial Jet Broking £'000	Private Jet Broking £'000	Freight £'000	Corporate costs £'000	Total £'000
Segmental gross profit	12,483	8,009	1,533	–	**22,025**
Depreciation and amortisation	(177)	(84)	–	–	**(261)**
Underlying segmental operating profit	2,693	791	368	(1,220)	**2,632**
Other items	–	–	–	–	**–**
Segmental operating profit	2,693	791	368	(1,220)	**2,632**
Finance income					**25**
Finance expense					**(21)**
Profit before tax					**2,636**
Tax					**151**
Profit after tax					**2,787**
Discontinued operations					**(7)**
Profit for the year					**2,780**

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 the 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 the 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 to 31 July 2015 (unaudited)					
Gross profit	6,551	3,747	1,718	50	**12,066**
Non-current assets (excluding deferred tax assets)	3,009	948	53	6	**4,016**
Half year to 31 July 2014 (unaudited)					
Gross profit	5,010	3,414	2,110	109	**10,643**
Non-current assets (excluding deferred tax assets)	1,868	1,052	43	1	**2,964**
Year ended 31 January 2015 (unaudited)					
Gross profit	10,951	7,136	3,741	197	**22,025**
Non-current assets (excluding deferred tax assets)	2,094	1,017	66	–	**3,177**

Notes to the unaudited financial information
for the half year ended 31 July 2015 continued

Europe can be further analysed as:

Continuing operations	France £'000	Germany £'000	Italy £'000	Other £'000	**Total £'000**
Half year to 31 July 2015 (unaudited)					
Gross profit	1,644	888	743	472	**3,747**
Non-current assets (excluding deferred tax assets)	885	39	15	9	**948**
Half year to 31 July 2014 (unaudited)					
Gross profit	1,253	746	897	518	**3,414**
Non-current assets (excluding deferred tax assets)	1,013	22	12	5	**1,052**
Year ended 31 January 2015 (unaudited)					
Gross profit	2,474	2,048	1,818	796	**7,136**
Non-current assets (excluding deferred tax assets)	942	46	19	10	**1,017**

3 Other items

Continuing operations	**Half year to 31 July 2015 (unaudited) £'000**	Half year to 31 July 2014 (unaudited) £'000	Year ended 31 January 2015 (audited) £'000
Acquisition costs	**270**	–	–
Non-cash acquisition related costs	**72**	–	–
	342	–	–
Tax effect of other items	**(67)**	–	–
Other items after taxation	**275**	–	–

Non-cash acquisition related costs in the current period include amortisation of intangible assets recognised on acquisition of £43,000 and acquisition consideration of £29,000 which has been treated as an employee related share based payment cost under IFRS3 "Business Combinations".

4 Dividends

	Half year to 31 July 2015 (unaudited) £'000	Half year to 31 July 2014 (unaudited) £'000
Amounts recognised as distributions to owners of the parent company in the period		
Final dividend for the year ended 31 January 2015 of 15.4 pence	**1,578**	–
(2014: final dividend for the eighteen month period ended 31 January 2014 of 14.0 pence) per share	**–**	1,406

5 Earnings per share

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

From continuing and discontinued operations	**Half year to 31 July 2015 (unaudited) £'000**	Half year to 31 July 2014 (unaudited) £'000	Year ended 31 January 2015 (audited) £'000
Earnings			
Profit attributable to equity owners of the parent company	**1,450**	1,392	2,780
Other items (note 3)	**275**	–	–
Earnings for the calculation of underlying basic and diluted earnings per share	**1,725**	1,392	2,780

	Number	Number	Number
Number of shares			
Weighted average number of ordinary shares for the calculation of basic earnings per share	**10,065,430**	10,274,929	10,056,276
Effect of dilutive potential ordinary shares: share options	**91,797**	389,172	75,764
Weighted average number of ordinary shares for the calculation of diluted earnings per share	**10,157,227**	10,664,101	10,132,040

From continuing operations	**Half year to 31 July 2015 (unaudited) £'000**	Half year to 31 July 2014 (unaudited) £'000	Year ended 31 January 2015 (audited) £'000
Earnings			
Profit attributable to equity owners of the parent company	**1,450**	1,392	2,780
Adjustment to exclude loss for the period from discontinued operations	**–**	4	7
Earnings for the calculation of continuing basic and diluted earnings per share	**1,450**	1,396	2,787
Other items	**275**	–	–
Earnings for the calculation of continuing underlying basic and diluted earnings per share	**1,725**	1,396	2,787

From discontinued operations	**Half year to 31 July 2015 (unaudited) £'000**	Half year to 31 July 2014 (unaudited) £'000	Year ended 31 January 2015 (audited) £'000
Earnings			
Basic	**–**	(4)	(7)
Diluted	**–**	(4)	(7)

The denominators used are the same as those above for both basic and diluted earnings per share from continuing and discontinued operations.

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.

Notes to the unaudited financial information
for the half year ended 31 July 2015 continued

6 Net cash (outflow)/inflow from operating activities

	Half year to 31 July 2015 (unaudited) £'000	Half year to 31 July 2014 (unaudited) £'000
Profit for the period		
Continuing operations	**1,450**	1,396
Discontinued operations	**–**	(4)
	1,450	1,392
Finance income	**(3)**	(10)
Finance expense	**8**	8
Income tax charge/(credit)	**444**	(281)
Depreciation and amortisation	**219**	93
Fair value losses on derivative financial instruments	**142**	73
Share option charge/(credit) for the period	**52**	(31)
Decrease in provisions	**–**	(224)
Foreign exchange differences	**221**	49
Operating cash flows before movements in working capital	**2,533**	1,069
Increase in receivables	**(21,103)**	(16,442)
Increase in payables	**17,620**	17,631
Cash (used by)/generated from operations	**(950)**	2,258
Income taxes paid	**(258)**	(269)
Interest paid	**(8)**	(8)
Net cash (outflow)/inflow from operating activities	**(1,216)**	1,981

7 Taxation

	Continuing operations			Discontinued operations			Total		
	Half year to 31 July 2015 (unaudited) £'000	Half year to 31 July 2014 (unaudited) £'000	Year ended 31 Jan 2015 (audited) £'000	Half year to 31 July 2015 (unaudited) £'000	Half year to 31 July 2014 (unaudited) £'000	Year ended 31 Jan 2015 (audited) £'000	Half year to 31 July 2015 (unaudited) £'000	Half year to 31 July 2014 (unaudited) £'000	Year ended 31 Jan 2015 (audited) £'000
Current tax									
UK corporation tax	**368**	179	207	**–**	(1)	(2)	**368**	178	205
Foreign tax	**68**	337	513	**–**	–	–	**68**	337	513
Current tax adjustments in respect of prior years	**–**	–	(788)	**–**	–	–	**–**	–	(788)
	466	516	(68)	**–**	(1)	(2)	**466**	515	(70)
Deferred tax	**(22)**	(796)	(83)	**–**	–	–	**(22)**	(796)	(83)
Total tax charge/(credit)	**444**	(280)	(151)	**–**	(1)	(2)	**444**	(281)	(153)
Of which:									
Tax on underlying profit	**511**	(280)	(151)	**–**	(1)	(2)	**511**	(281)	(153)
Tax on other items (see note 3)	**(67)**	–	–	**–**	–	–	**(67)**	–	–
	444	(280)	(151)	**–**	(1)	(2)	**444**	(281)	(153)

8 Other intangible assets

Unaudited	Order book £'000	Customer relationships £'000	Software £'000	**Total £'000**
Cost				
At 1 February 2014	–	–	1,217	**1,217**
Additions	–	–	276	**276**
At 31 July 2014	–	–	1,493	**1,493**
Amortisation and impairment				
At 1 February 2014	–	–	821	**821**
Charge for the period	–	–	12	**12**
At 31 July 2014	–	–	833	**833**
Net book value				
At 31 July 2014	–	–	660	**660**

Cost				
At 31 January 2015	–	–	1,921	**1,921**
Recognised on acquisition of subsidiary (see note 11)	171	93	–	**264**
Additions	–	–	114	**114**
At 31 July 2015	171	93	2,035	**2,299**
Amortisation and impairment				
At 31 January 2015	–	–	855	**855**
Charge for the period	40	3	42	**85**
Foreign currency adjustments	–	–	(2)	**(2)**
At 31 July 2015	40	3	895	**938**
Net book value				
At 31 July 2015	131	90	1,140	**1,361**
At 31 January 2015	–	–	1,066	**1,066**

9 Contingent liabilities

The Group had issued the following guarantees at 31 July 2015:

Description	Currency	**31 July 2015 Amount '000 (unaudited)**	31 July 2014 Amount '000 (unaudited)	31 January 2015 Amount '000 (audited)
Passenger sales agency agreement	Sterling	**398**	376	398
Dubai employee rights	Sterling	**17**	17	17
Aircraft operator	Euros	**1,400**	700	1,400
Aircraft operator	Euros	**–**	–	47
Rental deposit	Euros	**–**	–	11

In addition, the Company's bankers hold a free and floating charge over the Company's assets.

Notes to the unaudited financial information
for the half year ended 31 July 2015 continued

10 Provisions

Description	31 July 2015 (unaudited) £'000	31 July 2014 (unaudited) £'000	31 January 2015 (audited) £'000
Administration claims	**485**	471	478
Restructuring	**22**	39	34
	507	510	512

A provision of £485,000 (31 July 2014: £471,000; 31 January 2015: £478,000) was held in relation to the potential costs of settlement of claims which have been received from third parties following the closure of Air Partner Private Jets Limited. All remaining claims within this provision are expected to be settled by 31 March 2016.

11 Acquisition

On 12 May 2015 Air Partner plc acquired the entire issued share capital of Cabot Aviation Services Limited, obtaining control of the company on that date. Cabot Aviation Services Limited is a leading global aircraft remarketing broker.

The provisional amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as follows:

	£'000
Intangible assets – Order book	171
Intangible assets – Customer relationships	93
Deferred tax liability on intangible assets	(50)
Net current liabilities	(101)
	113
Goodwill	701
Total consideration	**814**
Satisfied by:	
Cash consideration	514
Equity settled consideration	300
Total consideration	**814**

Net cash outflow arising on acquisition	
Cash consideration	514
Net overdrafts assumed on acquisition	10
	524

The goodwill of £701,000 arising on acquisition is attributable to the value of the assembled workforce and the ability of senior staff to generate future business.

Acquisition costs (included in Other items) amounted to £72,000.

Revenue of £43,000 and operating losses of £53,000, being Cabot Aviation Services Limited's results for the period between the date of acquisition and 31 July 2015 are included in Group profit.

If the acquisition of Cabot Aviation Services Limited had been completed on the first day of the financial year, Group revenues for the period would have been £22,099,000 and profit would have been £1,628,000.

12 Events after the balance sheet date

On 18 August 2015 Air Partner plc acquired the entire issued share capital of Baines Simmons Limited for a total net consideration of up to £6,000,000, obtaining control of the company on that date. Baines Simmons Limited is a leading aviation safety consultant. The acquisition was funded from a combination of the Group's cash resources as well as a £3.6m debt facility provided by the Group's bankers. 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 2016.

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 2015 which comprises the income statement, the balance sheet, the statement of changes in equity the cash flow statement and related notes 1 to 12. 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 2015 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
Chartered Accountants and Statutory Auditor
Gatwick, United Kingdom

23 September 2015

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