
DORIC NIMROD AIR ONE

Half-yearly Financial Report

From Incorporation on 8 October 2010 to 30 September 2011 (Unaudited)



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SUMMARY INFORMATION

Company Overview

Doric Nimrod Air One Limited (LSE:DNA) ("DNA" or the "Company") is a Guernsey domiciled company which listed on the Specialist Fund Market of the London Stock Exchange and on the Channel Islands Stock Exchange on 13 December 2010.

Investment Objectives and Policy

The Company's investment objective is to obtain income returns and a capital return for its shareholders by acquiring, leasing and then selling a single aircraft (the "Asset").

The Company has purchased one airbus A380-861 aircraft, manufacturer's serial number 016 which has, initially, been leased to Emirates Airlines, the national carrier owned by the Investment Corporation of Dubai, based in Dubai, United Arab Emirates.

The Company aims to provide shareholders with an attractive total return comprising income, from distributions through the period of the Company's ownership of the Asset, and capital, upon the sale of the Asset.

Performance Overview

All payments by Emirates, the Lessee, have to date been made in accordance with the terms of the Lease.

During the period to date and in line with the Distribution policy DNA declared two interim dividends of 2.25 pence per Ordinary Preference Share.

Future dividend payments are anticipated to be declared and paid on a quarterly cycle and as per the Prospectus are targeted at 2.25 pence per Ordinary Preference Share per quarter subject to compliance with applicable laws and regulations.

CHAIRMAN'S STATEMENT

I am very pleased to present shareholders with the Company's first half-yearly financial report covering the period from incorporation on 8 October 2010 until 30 September 2011.

Notwithstanding the extreme turbulence and uncertainty within the global economy, and in international markets, I am glad to report that the Company has performed well. During the period, and in line with the targeted distribution policy outlined in the Company's Prospectus, the Company has declared two interim dividends of 2.25p per ordinary preference share. Future dividend payments are anticipated to be declared and paid on a quarterly basis.

The Company's 42,450,000 shares were admitted to trading on the Specialist Fund Market of the London Stock Exchange plc and listing on the Channel Islands Stock Exchange on 13 December 2010. The Company's investment objective is to obtain income returns and a capital return for its shareholders by acquiring, leasing and then selling a single aircraft. The Company purchased one Airbus A380-861, aircraft manufacturer's serial number 016, which it leased to Emirates Airlines, the national carrier owned by the investment corporation of Dubai, based in Dubai, United Arab Emirates.

A senior secured financing facility provided by Westpac, in the amount of US\$122 million provided the monies along with the placing proceeds for the acquisition of the aircraft. Upon purchase of the plane the Company entered into a lease with Emirates for an initial term of twelve years, with fixed leased rentals for the duration. The debt portion of the funding will be fully amortised over the twelve year term of the lease, with the aim of leaving the aircraft unencumbered at the conclusion of the lease.

Both the aircraft and the lessee have performed well over the period. Despite the turmoil in the global economy, passenger air traffic remained robust (though air freight traffic was more subdued). Emirates continues to report strong performance. This was greatly aided by the airline's ability to adjust flight schedules swiftly, and redeploy aircraft about the network, thus optimising revenue. The airline operates with a remarkably high passenger seat factor whilst at the same time increasing seat capacity.

The lease payments received by the Company from Emirates cover repayment of the debt as well as income to pay dividends to shareholders. Emirates bears all costs (including maintenance, repair and insurance) relating to the aircraft during the lifetime of the lease. The aircraft is equipped with four Engine Alliance 7200 power plants. The Company's Asset Manager, Doric Asset Finance Limited, continues to monitor the lease and reports regularly to the Board. Nimrod Capital LLP, the Company's Placing and Corporate and Shareholder Advisory Agent, continues to liaise between the Board and shareholders, which includes distribution of quarterly fact sheets and the interim management statements.

On behalf of the Board I would like to thank all shareholders for their continued support of the Company.

Charles Wilkinson
Chairman

INTERIM MANAGEMENT REPORT

from period of incorporation to 30 September 2011 (the "Period")

A description of important events that have incurred during the Period, their impact on the performance of the Company as shown in the financial statements and description on the principal risks and uncertainties of the remaining six months of the annual financial year is given within the Chairman's Statement and the Notes to the Financial Statements contained below and is incorporated here by reference.

There were no material related party transactions which took place in the period, other than those disclosed at Note 17 of the Notes to the Financial Statements.

Going Concern

The Company's financial position, its cashflows and liquidity position are set out in the financial statements and the Company's financial risk management objectives and policies are set out in Note 16 of the Notes to the Financial Statements.

After making reasonable enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of this half-yearly financial report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Responsibility Statements

The Board of directors jointly and severally confirm that, to the best of their knowledge:

- (a) The financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- (b) This Interim Management Report includes or incorporates by reference:
 - a. An indication of important events that have occurred during the Period, and their impact on the financial statements;
 - b. a description of the principal risks and uncertainties for the remaining six months of the financial year; and
 - c. confirmation that there were no related party transactions in the Period that have materially affected the financial position or the performance of the Company during that Period.

Charles Wilkinson
Chairman

Norbert Bannon
Chairman of Audit Committee

DIRECTORS

Charles Edmund Wilkinson (Chairman)

Charles Wilkinson is a solicitor who retired from Lawrence Graham LLP in March 2005. While at Lawrence Graham, he specialised in corporate finance and commercial law, latterly concentrating on investment trust and fund work. He is currently chairman of the Audit Committee of Doric Nimrod Air Two Limited. He is also a director of Premier Energy and Water Trust PLC a listed investment trust and of Landore Resources Ltd, a Guernsey based mining exploration company.

Norbert Bannon

Norbert Bannon works as a financial advisor and non-executive director. He is a director of the Irish and UK subsidiaries of a major Canadian bank and is chairman of a large UK pension scheme. He is a director of and advisor to a number of financial companies in the UK and Ireland.

He has extensive experience in international finance having been CEO of banks in Singapore and New York. He was Managing Director of Ireland's largest venture capital company and was Finance Director and Chief Risk Officer of AIB Capital Markets plc which he left in 2002. He has worked as consultant to a number of international companies.

He earned a degree in economics from Queen's University, studied at Stanford Graduate School of Business and is a Chartered Accountant.

Geoffrey Alan Hall

Geoffrey Hall has extensive experience in investment management. He has been previously been Chief Investment Officer at Allianz Insurance Plc, a major UK insurance company, and an investment manager at HSBC Asset Management, County Investment Management, and British Railways Pension Funds. He is currently an investment consultant to Cumberland Place Investment Management, and also Chairman of WHEB Asset Management, a major firm in sustainability investing.

Geoffrey earned his Master's degree in Geography at the University of London. He is an Associate of the Society of Investment Professionals (the CFA Society of the UK).

STATEMENT OF COMPREHENSIVE INCOME

for the period 8 October 2010 to 30 September 2011

	Notes	8 Oct 2010 to 30 Sep 2011 GBP
Income		
A rent income	4	9,610,433
B rent income	4	4,321,632
		13,932,065
Expenses		
Operating expenses	5	(468,732)
Depreciation of Aircraft	9	(2,721,747)
		(3,190,479)
Net profit for the period before finance costs and foreign exchange losses		10,741,586
Finance costs		
Loan interest		(3,139,996)
Unrealised foreign exchange loss	16b	(1,445,976)
Profit for the period		6,155,614
Other Comprehensive Income		-
Total Comprehensive Income for the period		6,155,614
		Pence
Earnings per Share for the period – Basic and Diluted	8	14.50

In arriving at the results for the financial period, all amounts above relate to continuing operations.

There are no recognised gains or losses for the period other than those disclosed above.

The notes on pages 10 to 22 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

as at 30 September 2011

	Notes	30 Sep 2011 GBP
NON-CURRENT ASSETS		
Aircraft	9	112,437,425
CURRENT ASSETS		
Cash and cash equivalents		4,655,513
Receivables	11	4,207
		4,659,720
TOTAL ASSETS		117,097,145
CURRENT LIABILITIES		
Current portion of bank loan	13	9,854,921
Payables – due within one year	12	138,862
		9,993,783
NON-CURRENT LIABILITIES		
Bank loan	13	64,182,520
TOTAL LIABILITIES		74,176,303
TOTAL NET ASSETS		42,920,842
EQUITY		
Share capital	14	39,016,728
Revenue reserve		3,904,114
		42,920,842
		Pence
Net asset value per Ordinary Share based on 42,450,000 shares in issue		101.11

The Financial Statements were approved by the Board of directors and authorised for issue on 29 November 2011 and are signed on its behalf by:

Norbert Bannon
Director

Charles Wilkinson
Director

The notes on pages 10 to 22 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

for the period ended 30 September 2011

	8 Oct 2010 to 30 Sep 2011 GBP
OPERATING ACTIVITIES	
Profit for the period	6,155,614
Depreciation of Aircraft	2,721,747
Loan interest	3,139,996
Increase in payables	138,862
Increase in receivables	(4,207)
Foreign exchange movement on loan balance	1,415,742
NET CASH INFLOW FROM OPERATING ACTIVITIES	13,567,754
INVESTING ACTIVITIES	
Purchase of Aircraft	(115,159,172)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(115,159,172)
FINANCING ACTIVITIES	
Dividends paid	(1,910,250)
Repayments of capital on borrowings	(4,053,819)
Repayments of interest on borrowings	(3,121,538)
Proceeds on issue of shares	39,625,022
Share issue costs	(949,544)
New bank loans raised	76,729,560
Costs associated with loans raised	(72,500)
NET CASH INFLOW FROM FINANCING ACTIVITIES	106,246,931
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	–
Increase in cash and cash equivalents	4,655,513
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,655,513

The notes on pages 10 to 22 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 September 2011

	Notes	Share Capital GBP	Revenue Reserve GBP	Total GBP
Balance as at 8 October 2010		–	–	–
Total Comprehensive Income for the period		–	6,155,614	6,155,614
Share issue proceeds	14	39,625,022	–	39,625,022
Fair value adjustment on share issue	14	341,250	(341,250)	–
Share issue costs	14	(949,544)	–	(949,544)
Dividends paid	7	–	(1,910,250)	(1,910,250)
Balance as at 30 September 2011		39,016,728	3,904,114	42,920,842

The notes on pages 10 to 22 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

as at 30 September 2011

1 GENERAL INFORMATION

Doric Nimrod Air One Limited (the "Company") was incorporated in Guernsey on 8 October 2010 with registered number 52484. Its share capital is denominated in Sterling and consists of one class of Ordinary Preference Shares and one class of Subordinated Administrative Shares. The Company's Ordinary Preference Shares are listed on the London Stock Exchange ("LSE") and Channel Islands Stock Exchange ("CISX") and have been admitted to trading on the Specialist Fund Market ("SFM").

The Company's investment objective is to obtain income returns and a capital return for its shareholders by acquiring, leasing and then selling a single aircraft.

The significant accounting policies adopted by the Company are as follows:

2 ACCOUNTING POLICIES

(a) Basis of Preparation and Going Concern

The financial statements have been prepared in conformity with IFRS which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") and applicable Guernsey law. The financial statements have been prepared on a historical cost basis.

These financial statements are presented in pounds sterling, because that is the currency of the primary economic environment in which the Company operates.

Changes in accounting policy and disclosure

The following Standards or Interpretations that are expected to affect the Company have been issued but not yet adopted by the Company as shown below. Other Standards or Interpretations issued by the IASB and IFRIC are not expected to affect the Company.

IFRS 7 Financial Instruments: Disclosure – amendments enhancing disclosures about transfers of financial assets effective for annual periods beginning on or after 1 July 2011.

IFRS 9 Financial Instruments – Classification and Measurement effective for annual periods beginning on or after 1 January 2013.

IFRS 13 Fair Value Measurement effective for annual periods beginning on or after 1 January 2013.

IAS 1 Presentation of Financial Statements – amendments to revise the way other comprehensive income is presented effective for annual periods beginning on or after 1 July 2012.

IAS 24 Related Party Disclosures – revised definition of related parties effective for annual periods beginning on or after 1 January 2011.

The directors have considered the above and are of the opinion that the above Standards and Interpretations are not expected to have an impact on the Company's financial statements except for the presentation of additional disclosures and changes to the presentation of components of the financial statements. These items will be applied in the first financial period for which they are required.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2011

2 ACCOUNTING POLICIES (continued)

(b) Taxation

The Company has been assessed for tax at the Guernsey standard rate 0%. Income Tax has been provided based on the tax rate applicable to the Company, on its current year profits.

(c) Share capital

Ordinary preference shares ("Shares") are classified as equity. Incremental costs directly attributable to the issue of Shares are recognised as a deduction from equity.

(d) Expenses

All expenses are accounted for on an accruals basis.

(e) Interest Income

Interest income is account for on an accruals basis.

(f) Foreign currency translation

The currency of the primary economic environment in which the Company operates (the functional currency) is Great British Pounds ("GBP") which is also the presentation currency.

Transactions denominated in foreign currencies are translated into GBP at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

(g) Cash and Cash equivalents

Cash at bank and short term deposits which are held to maturity are carried at cost. Cash and cash equivalents are defined as call deposits, short term deposits and highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purposes of the Statement of Cash Flow, cash and cash equivalents consist of cash and deposits at bank.

(h) Segmental Reporting

The directors are of the opinion that the Company is engaged in a single segment of business, being acquisition and lease of one Airbus A380-861 aircraft (the "Aircraft").

(i) Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors believe the Company is well placed to manage its business risks successfully despite the current economic climate. Accordingly, the directors have adopted the going concern basis in preparing the financial information.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2011

2 ACCOUNTING POLICIES (continued)

(j) Leasing and rental income

The lease relating to the Aircraft has been classified as an operating lease as the terms of the lease do not transfer substantially all the risks and rewards of ownership to the lessee. The Aircraft is shown as a non-current asset in the Statement of Financial Position. Further details of the lease are given in Note 10.

Rental income from the operating lease is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(k) Property, plant and equipment – Aircraft

In line with IAS 16 Property Plant and Equipment, the Aircraft is recorded at the fair value of the consideration paid. The cost of the asset is made up of the purchase price of the Aircraft plus any costs directly attributable to bringing into working condition for its intended use. Accumulated depreciation and any recognised impairment loss are deducted from cost to calculate the carrying amount of the Aircraft.

Depreciation is recognised so as to write off the cost of the asset less the estimated residual value of £6.2 million over the estimated useful life of the asset of 30 years, using the straight line method.

Depreciation is charged systematically over the asset's useful life. The depreciation method reflects the pattern of benefit consumption. The residual value is reviewed annually and is the amount the entity would receive currently if the asset were already of the age and condition expected at the end of its useful life. Useful life is also reviewed annually.

(l) Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of the financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liabilities, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the 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 the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2011

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Critical judgements in applying the Company's accounting policies

The following are the critical judgements and estimates, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Residual value and useful life of Aircraft

As described in note 2 (k), the Company depreciates the Aircraft on a straight line basis over the estimated useful life of the Aircraft and taking into consideration the estimated residual value. In making its judgement regarding these estimates the directors considered previous sales of similar aircraft and generally accepted aviation information regarding life expectancy of aircraft.

Issue of initial shares

As described in note 14, Shares issued prior to the public Placing were accounted for at the fair value of the Shares on the date of issue. The directors estimated the value of these Shares issued based on the anticipated launch price and their assessment of the respective dates of issue and the probability of a successful launch. The difference between fair value and actual cash proceeds is shown as a movement in reserves in the Statement of Changes in Equity.

Operating lease commitments – Company as lessor

The Company has entered into an operating lease on an Aircraft. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of this asset and accounts for the contract as an operating lease.

Impairment

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The directors monitor the asset for any indications of impairment as required by IAS 16 Property, Plant and Equipment and IAS 36 Intangible Assets.

4 RENTAL INCOME

	8 Oct 2010 to 30 Sep 2011 GBP
A rent income	9,610,433
B rent income	4,321,632
	13,932,065

Rental income is derived from the leasing of the Aircraft. Rent is split into A rent, which is received in US Dollars ("USD") and B rent, which is received in GBP. Rental income received in USD is translated into the functional currency at the date of the transaction.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2011

5 OPERATING EXPENSES

	8 Oct 2010 to 30 Sep 2011 GBP
Nimrod management fee	104,932
Doric asset management fee	197,917
Administration fees	53,751
Accountancy fees	7,644
Registrars fee	7,052
Audit fee	12,500
Directors' remuneration	43,525
Directors' and Officers' insurance	6,651
Legal & professional expenses	12,415
Annual fees	3,718
Sundry costs	8,678
Other operating expenses	9,949
	468,732

6 DIRECTORS' REMUNERATION

Under their terms of appointment, each director is paid a fee of £15,000 per annum by the Company, except for the Chairman, who receives £20,000 per annum. The Chairman of the audit committee also receives an extra £3,000 per annum.

7 DIVIDENDS IN RESPECT OF EQUITY SHARES

	8 Oct 2010 to 30 Sep 2011	Pence per share
	GBP	
First interim payment	955,125	2.25
Second interim payment	955,125	2.25
	1,910,250	4.50

8 EARNINGS PER SHARE

Earnings per Share ("EPS") is based on the net gain for the period attributable to shareholders of £6,155,614 and on 42,450,000 Shares, being the weighted average number of Shares in issue during the period. The directors are of the opinion that calculating EPS using 42,450,000 Shares follows the substance of IAS 33 Earnings per Share, paragraph 26 as the share transactions prior to the Placing did not result in a corresponding change in the Company's resources. The calculation of EPS under the alternative method would give an EPS of 17.45 pence based on 32,775,283 Shares, being the alternative weighted average number of Shares in issue during the period. There are no dilutive instruments and therefore basic and diluted earnings per Share are identical.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2011

9 PROPERTY, PLANT AND EQUIPMENT – AIRCRAFT

	Aircraft GBP
COST	
As at 8 October 2010	–
Additions	115,159,172
As at 30 September 2011	115,159,172
ACCUMULATED DEPRECIATION	
As at 8 October 2010	–
Charge for the year	2,721,747
As at 30 September 2011	2,721,747
CARRYING AMOUNT	
As at 8 October 2010	–
As at 30 September 2011	112,437,425

The Company can sell the asset during the term of the lease (with the lease attached and in accordance with the terms of the transfer provisions contained therein). If at the end of the lease the Company makes the choice to sell the asset rather than leasing it out again, Emirates will be given first refusal on the asset.

Under IAS 17, the direct costs attributed in negotiating and arranging the operating lease has been added to the carrying amount of the leased asset and recognised as an expense over the lease term.

10 OPERATING LEASES

The amounts of minimum lease payments at the reporting date under non-cancellable operating leases are detailed below:

	Next 12 months GBP	2 to 5 years GBP	After 5 years GBP	Total GBP
Aircraft – A rental payments	9,464,963	37,859,854	44,310,534	91,635,351
Aircraft – B rental payments	4,321,632	17,286,528	28,207,920	49,816,080
	13,786,595	55,146,382	72,518,454	141,451,431

The Operating lease is for an Airbus A380-861 aircraft. The term of the lease is for 12 years ending November 2022.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2011

11 RECEIVABLES

	30 Sep 2011
	GBP
Prepayments	4,185
Sundry debtors	22
	4,207

The above carrying value of receivables is equivalent to its fair value.

12 PAYABLES (amounts falling due within one year)

	30 Sep 2011
	GBP
Accrued administration fees	11,490
Accrued audit fee	12,500
Accrued management fees	112,500
Other accrued expenses	2,372
	138,862

The above carrying value of payables is equivalent to its fair value.

13 PAYABLES (amounts falling due after one year)

	TOTAL
	30 Sep 2011
	GBP
Bank loan	74,109,941
Associated costs	(72,500)
	74,037,441
Amount due for settlement within 12 months	9,854,921
Amount due for settlement after 12 months	64,182,520

The loan is from Westpac for USD 122,000,000 and runs for 12 years until December 2022 and has an effective interest rate of 5.4950%.

The loan is secured on the Aircraft. No breaches or defaults occurred in the period.

Transaction costs of arranging the loan have been deducted from the carrying amount of the loan and will be amortised over its life.

In the directors opinion, the above carrying value of the bank loan is equivalent to its fair value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2011

14 SHARE CAPITAL

The Share Capital of the Company is represented by an unlimited number of shares of no par value being issued or reclassified by the Company as Ordinary Preference Shares or Subordinated Administrative Shares.

	Subordinated Administrative Shares	Ordinary Preference Shares
Shares issued at incorporation	–	1
Shares issued 11 October 2010	–	4,000,000
Shares issued 1 December 2010	–	1,000,000
Shares redeemed 1 December 2010	–	(2,175,001)
Shares issued 6 December 2010	2	–
Shares issued in Placing	–	39,625,000
Issued share capital as at 30 September 2011	2	42,450,000

Issued	GBP
Ordinary Preference Shares	
1,825,000 Shares issued prior to Placing – Fair value	91,260
1,000,000 Shares issued prior to Placing – Fair value	250,010
39,625,000 Shares issued in Placing	39,625,000
Share issue costs	(949,544)
Issued share capital as at 30 September 2011	39,016,726
Subordinated Administrative Shares	
Shares issued 6 December 2010	2
Total share capital as at 30 September 2011	39,016,728

Members holding Ordinary Preference Shares are entitled to receive, and participate in, any dividends out of income; other distributions of the Company available for such purposes and resolved to be distributed in respect of any accounting period; or other income or right to participate therein. On a winding up, members are entitled to the surplus assets remaining after payment of all the creditors of the Company. Members have the right to receive notice of and to attend, speak and vote at general meetings of the Company.

The holders of Subordinated Administrative Shares are not entitled to receive, and participate in, any dividends out of income; other distributions of the Company available for such purposes and resolved to be distributed in respect of any accounting period; or other income or right to participate therein. On a winding up, holders are entitled to a return of capital paid up on them after the Ordinary Preference Shares have received a return of their capital paid up but ahead of the return of all additional capital to the holders of Ordinary Preference Shares. Holders shall not have the right to receive notice of and no right to attend, speak and vote at general meetings of the Company, except for the Liquidation Proposal Meeting (general meeting convened six months before the end term of the Lease where the Liquidation Resolution will be proposed) or if there are no Ordinary Preference Shares in existence.

A fair value adjustment arose on the issue of 1,825,000 and 1,000,000 Ordinary Preference shares for which the consideration was £10 and £10 respectively. The fair value adjustment of £341,250 has been adjusted through reserves.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2011

15 FINANCIAL INSTRUMENTS

The Company's main financial instruments comprise:

- (a) Cash and cash equivalents that arise directly from the Company's operations; and
- (b) Loan secured on non current asset.

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's objective is to obtain income and returns and a capital return for its shareholders by acquiring, leasing and then selling a single aircraft.

The following table details the categories of financial assets and liabilities held by the Group at the reporting date:

	30 Sep 2011
	GBP
Financial assets	
Loans and receivables	4,655,535
Total assets	4,655,535
Financial liabilities	
Accrued expenses	138,862
Loans payable	74,037,441
Financial liabilities measured at amortised cost	74,176,303

Loans and receivables presented above represents cash and cash equivalents and sundry debtors as detailed in the Consolidated Statement of Financial Position and Note 11.

Financial liabilities measured at amortised cost presented above represents accrued expenses and loans payable as detailed in the Consolidated Statement of Financial Position.

The main risks arising from the Company's financial instruments are capital management risk, foreign currency risk, credit risk, liquidity risk and interest rate risk. The Board regularly review and agrees policies for managing each of these risks and these are summarised overleaf:

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2011

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in Note 13, cash and cash equivalents and equity attributable to equity holders, comprising issued capital and retained earnings.

The Company's Board of directors reviews the capital structure on a bi-annual basis.

Equity includes all capital and reserves of the Company that are managed as capital.

(b) Foreign currency risk

The Company undertakes transactions denominated in foreign currencies and holds assets and liabilities denominated in foreign currencies. Consequently exposures to exchange rate fluctuations arise. The directors do not deem these fluctuations to be material as the loan repayments and lease rentals on which the fluctuations arise are matched as described below.

Lease rentals (as detailed in Notes 4 and 10) are received in USD and GBP. Those lease rentals received in USD are used to pay the loan repayments due, also in USD (as detailed in Note 13). Both USD lease rentals and loan repayments are fixed and are for similar sums and similar timings. The matching of lease rentals to settle loan repayments therefore mitigates risks caused by foreign exchange fluctuations.

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Liabilities GBP	Assets GBP
Bank loan (USD)	74,109,941	–
Cash and cash equivalents	–	2,404,777

The following table details the Company's sensitivity to a 15 per cent increase and decrease in Sterling against USD. 15 per cent represents the directors' assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 15 per cent change in foreign currency rates. A positive number below indicates an increase in profit and other equity where Sterling strengthens 15 per cent against USD. For a 15 per cent weakening of the Sterling against USD, there would be a comparable impact on the profit and other equity, and the balances below would be negative:

	USD impact
Profit or loss	9,352,850
Assets	(313,664)
Liabilities	9,666,514

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2011

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The credit risk on cash transactions and transactions involving long term borrowings are mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, or with high credit ratings assigned by international credit rating agencies.

The Company's financial assets exposed to credit risk are as follows:

	30 Sep 2011 GBP
Receivables	22
Cash and cash equivalents	4,655,513
	4,655,535

Cash is held in accounts with Barclays and Westpac Banking Corporation ("Westpac"), which have credit ratings of Aa3 and Aa2 respectively.

There is a contractual credit risk arising from the possibility that the lessee may default on the lease payments. This risk is mitigated, as under the terms of the lease agreement between the lessee and the Company, any non payment of the lease rentals constitutes a Special Termination Event, under which the lease terminates and the Company may either choose to sell the asset or lease the Aircraft to another party.

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in realising assets or otherwise raising funds to meet financial commitments. The Company's main financial commitments are its ongoing operating expenses and loan repayments to Westpac.

Ultimate responsibility for liquidity risk management rests with the Board of directors, which established an appropriate liquidity management framework at the incorporation of the Company, through the timings of lease rentals and loan repayments. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by monitoring forecast and actual cash flows, and by matching profiles of financial assets and liabilities.

The table below details the residual contractual maturities of financial liabilities:

	1-3 months GBP	3-12 months GBP	Over 1 year GBP
Financial liabilities			
Payables – due within one year	138,862	–	–
Loans payable	2,463,730	7,391,191	64,182,520
	2,602,592	7,391,191	64,182,520

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2011

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows. It is the risk that fluctuations in market interest rates will result in a reduction in deposit interest earned on bank deposits held by the Company.

The Company mitigates interest rate risk by fixing the interest rate on the loan and the lease rentals.

The following table details the Company's exposure to interest rate risks:

	Less than 1 month GBP	Fixed interest GBP	Non-interest bearing GBP	Total GBP
Financial assets				
Receivables	–	–	4,207	4,207
Cash and cash equivalents	4,655,513	–	–	4,655,513
Total financial assets	4,655,513	–	4,207	4,659,720
Financial liabilities				
Accrued expenses	–	–	138,862	138,862
Loans payable	–	74,037,441	–	74,037,441
Total financial liabilities	–	74,037,441	138,862	74,176,303
Total interest sensitivity gap	4,655,513	74,037,441		

If interest rates had been 50 basis points higher and all other variables were held constant, the Company's net assets attributable to shareholders as at 30 September 2011 would have been £19,398 greater, due to an increase in the amount of interest receivable on the bank balances.

If interest rates had been 50 basis points lower and all other variables were held constant, the Company's net assets attributable to shareholders as at 30 September 2011 would have been £19,398 lower, due to a decrease in the amount of interest receivable on the bank balances.

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2011

17 RELATED PARTIES

Nimrod Capital LLP ("Nimrod") is the Company's Placing Agent and Corporate and Shareholder Adviser. In consideration for Nimrod acting as placing agent in the Placing, the Company agreed to pay Nimrod at Admission, a placing commission equal to 0.43 per cent. of the Initial Gross Proceeds.

The Company shall pay to Nimrod for its services as Corporate and Shareholder Adviser a fee of £100,000 per annum (adjusted annually for inflation from 2012 onwards, at 2.25 per cent. per annum) payable quarterly in arrears.

During the period, the Company incurred £588,254 of expenses with Nimrod, of which £25,000 was outstanding to this related party at 30 September 2011.

Doric Asset Finance Limited ("Doric") is the Company's Asset Manager. Doric received a fee as at Admission, equal to 1.14 per cent. of the Initial Gross Proceeds.

The Company will also pay Doric a management and advisory fee of £250,000 per annum (adjusted annually for inflation from 2012 onwards, at 2.25 per cent. per annum), payable quarterly in arrears.

During the period, the Company incurred £1,463,004 of expenses with Doric, of which £nil was outstanding to this related party at 30 September 2011.

18 ULTIMATE CONTROLLING PARTY

In the opinion of the directors, the Company has no ultimate controlling party.

19 SUBSEQUENT EVENTS

On 6 October 2011, a further dividend of 2.25 pence per Ordinary Preference Share was declared and this was paid on 28 October 2011.

NOTICE OF ANNUAL GENERAL MEETING

DORIC NIMROD AIR ONE LIMITED

(Incorporated and registered in Guernsey with company number 52484)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you are advised to consult your stockbroker, solicitor, accountant, or other professional adviser. If you have sold or otherwise transferred all your shares in Doric Nimrod Air One Limited, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer for transmission to the person who now holds shares in Doric Nimrod Air One Limited.

Notice is hereby given that the first Annual General Meeting (the "AGM") of the shareholders of Doric Nimrod Air One Limited (the "Company") will be held at Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 1EJ, Channel Islands on 24 January 2012 at 10.00 a.m. to consider and, if thought fit, pass the below resolutions.

The Company intends to hold two General Meetings (each a "GM") in 2012 in order to satisfy the Companies (Guernsey) Law 2008 as amended (the "Law") and the Disclosure and Transparency Rules of the Financial Services Authority (the "DTR"). The Company was incorporated on 8 October 2010; therefore it is required under the Law to hold its first Annual GM before 8 April 2012. However the DTR also require that the Company make public its annual Financial Report which includes the Company's audited financial statements (the "Accounts") at the latest four months after the end of each financial year which ends each year on 31 March.

There is therefore insufficient time from the financial year end to prepare the Company's accounts and present these to the shareholders at an Annual GM before 8 April 2012. It is intended therefore to hold two shareholder meetings in 2012. One on 24 January 2012 in order to satisfy the company's obligations under the Law and then a further GM Notice will be sent to shareholders prior to 31 July 2012 enclosing the Accounts to convene a GM in August. Going forward the Company's Annual GM's will be held in August of each year.

Resolutions 1 to 5 will be proposed as ordinary resolutions.

ORDINARY RESOLUTIONS

1. TO re-appoint Ernst & Young LLP as Auditors of the Company, to hold office until the conclusion of the 2013 Annual General Meeting.
2. TO authorise the directors to determine the remuneration of the Auditors of the Company.
3. TO re-elect as a director Mr Charles Wilkinson, who retires in accordance with the provisions of the UK Code of Corporate Governance.
4. TO re-elect as a director Mr Norbert Bannon, who retires in accordance with the provisions of the UK Code of Corporate Governance.
5. TO re-elect as a director Mr Geoffrey Hall, who retires in accordance with the provisions of the UK Code of Corporate Governance.

By order of the Board

For and on behalf of
Anson Fund Management Limited
Company Secretary

Registered Office:

Anson Place
Mill Court
La Charroterie
St. Peter Port
Guernsey
GY1 1EJ

Registered in Guernsey with registered number 52484.

Dated: 30 November 2011

NOTICE OF ANNUAL GENERAL MEETING (continued)

Notes:

1. A member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to speak and vote instead of them. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude members from attending or voting at the AGM if they so wish.
2. More than one proxy may be appointed provided each proxy is appointed to exercise the rights attached to different shares.
3. In accordance with the provision E.2.1 of the UK Code of Corporate Governance it should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against each resolution.
4. A Form of Proxy is enclosed for use at the AGM. The Form of Proxy should be completed in accordance with the instructions set out therein and sent, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, so as to reach the Company's agent, for this purpose being, Anson Registrars Limited, Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 1EJ not less than 48 hours before the time for holding the AGM.
5. All persons recorded on the register of shareholders as holding shares in the Company as at 10.00 a.m. on 22 January 2012 or, if the AGM is adjourned, as at 48 hours before the time of any adjourned AGM, shall be entitled to attend and vote (either in person or by proxy) at the AGM and shall be entitled to one vote per share held.
6. If the AGM falls to be adjourned because it is not quorate, it will be adjourned to the same time and place five business days later or to such other day and/or time and/or place as the directors of the Company may determine, whereupon those shareholders then present in person, by their representative or by proxy, shall form the quorum. In the event of any such adjournment the Company will announce the adjournment via a regulatory information service but no notification will be sent directly to shareholders.
7. Where there are joint registered holders of any shares such persons shall not have the right of voting individually in respect of such shares but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the register of shareholders shall alone be entitled to vote.
8. On a poll votes may be given either personally or by proxy and a shareholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
9. Any corporation which is a shareholder may by resolution of its board of directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM. Any person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual shareholder.
10. As at 30 November 2011 (the latest practicable date prior to the printing of this notice) the Company's issued share capital consisted of 42,450,000 ordinary preference shares of no par value, all carrying one vote each per share.
11. Copies of the following documents are available for inspection at the registered office of the Company during usual business hours on any weekday (weekends and public holidays excluded) and will be available for inspection at the place of the AGM for 15 minutes before and during the AGM itself:
 - (a) copies of the non-executive directors' appointment letters; and
 - (b) the Articles of Incorporation.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

At the AGM there are 5 Resolutions which shareholders will be asked to consider and, if thought fit, approve. An explanation of each of these Resolutions is given below. Resolutions 1 to 5 (inclusive) are proposed as ordinary resolutions. An ordinary resolution requires more than 50 per cent. of votes cast at the AGM relating to that resolution to be in favour of it for the resolution to be passed.

ORDINARY RESOLUTIONS

Resolutions 1 and 2: Appointment and remuneration of the Auditors

Ernst & Young LLP have indicated that they are willing to continue to be the Company's Auditors for the next financial year. You are asked to approve their re-appointment and to authorise the directors of the Company to determine their remuneration.

Resolutions 3 to 5 (inclusive): Re-election of Directors

In accordance with the recommendations of the UK Corporate Governance Code, the directors have resolved that they will all retire at this first AGM and that those wishing to continue to serve will submit themselves for re-election by the shareholders at this AGM and those following every three years thereafter.

Having considered the performance and contribution made by each of the directors, the Board believes that each of them continues to perform effectively and with commitment to their roles and, as such, recommends their respective election and re-election. Brief biographical details of the directors seeking re-election can be found on page 5.

ADVISERS AND CONTACT INFORMATION

KEY INFORMATION

Exchange	Specialist Fund Market of the LSE/CISX
Ticker	DNA
Listing Date	13 December 2010
Fiscal Year End	31 March
Base Currency	GBP
ISIN	GG00B4MF3899
SEDOL	B4MF389
Country of Incorporation	Guernsey – Registration number 52484

MANAGEMENT AND ADMINISTRATION

Registered Office

Doric Nimrod Air One Limited
Anson Place
Mill Court
La Charroterie
St Peter Port
Guernsey GY1 EJ

Company Secretary and Administrator

Anson Fund Managers Limited
P.O. Box 405, Anson Place
Mill Court
La Charroterie
St Peter Port
Guernsey GY1 3GF

Asset Manager

Doric Asset Finance Limited
5 Royal Exchange Buildings
London EC3V 3NL

Registrar

Anson Registrars Limited
PO Box 426, Anson Place
Mill Court, La Charroterie
St Peter Port
Guernsey GY1 3WX

Placing and Corporate and Shareholder Advisory Agent

Nimrod Capital LLP
4 The London Fruit and Wool Exchange
Brushfield Street
London E1 6HB

Advocates to the Company (as to Guernsey Law)

Mourant Ozannes
1 Le Marchant Street
St Peter Port
Guernsey GY1 4HP

Solicitors to the Company (as to English Law)

Herbert Smith LLP
Exchange House
Primrose Street
London EC2A 2HS

Auditor

Ernst & Young LLP
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 4AF

