

Doric Nimrod Air Three Limited

Consolidated Annual Financial Report

From 1 April 2013 to
31 March 2014

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Doric Nimrod Air Three Limited

SUMMARY INFORMATION

Company Facts

Listing	Specialist Fund Market of London Stock Exchange and Channel Islands Securities Exchange
Ticker	DNA3
Share Price	106.50p (as at 31 March 2014) 105.00p (as at 25 July 2014)
Market Capitalisation	GBP 234.3 million (as at 31 March 2014)
Aircraft Registration Number	A6-EEK, A6-EEL, A6-EEM, A6-EEO
Current/Future Anticipated Dividend	From April 2014 on dividends are targeted to be 2.0625p per quarter per share until the aircraft leases terminate in 2025
Dividend Payment Dates	April, July, October, January
Currency	Sterling
Launch Date/Price	2 July 2013 / 100p
Incorporation and Domicile	Guernsey
Asset Manager	Amedeo Management Limited
Corp & Shareholder Advisor	Nimrod Capital LLP
Administrator	JTC Fund Managers (Guernsey) Limited
Auditor	Deloitte LLP
Market Makers	Shore Capital Ltd/ Winterflood Securities Ltd/ Jefferies International Ltd/ Numis Securities Ltd
SEDOL, ISIN	B92LHN5, GG00B92LHN58
Year End	31 March
Stocks & Shares ISA	Eligible
Website	www.dnairthree.com

Doric Nimrod Air Three Limited

COMPANY OVERVIEW

Doric Nimrod Air Three Limited

Doric Nimrod Air Three Limited (LSE Ticker: DNA3) ("**DNA3**" or the "**Company**") is a Guernsey company incorporated on 29 March 2012.

Pursuant to the Company's Prospectus dated 20 June 2013, the Company on 1 July 2013, offered its shares for issue by means of a placing and raised approximately £211 million by the issue of Redeemable Ordinary Preference Shares (the "**Ordinary Shares**") at an issue price of £1 each (the "**Placing**"). The Company's Shares were admitted to the Official List and to trading on the Channel Islands Stock Exchange ("**CISX**") and the Specialist Fund Market of the London Stock Exchange ("**SFM**") on 2 July 2013. On 20 December 2013 the Royal Court of Guernsey approved the scheme of arrangement ("the **scheme**") between CISX and The Channel Islands Securities Exchange ("**CISE**"). In accordance with the scheme, the business of CISX has been acquired by CISE. All securities that were listed on the Official List of CISX have been transferred and are now listed on the Official List of CISE.

As at 25 July 2014, the last practicable date prior to the publication of this report, the Company's total issued share capital consisted of 220,000,000 Shares and the shares were trading at 105.00 pence per share.

Investment Objectives and Policy

The Company's investment objective is to deliver an income return and a capital return for its Shareholders by acquiring, leasing and then remarketing aircraft (each an "**Asset**" and together the "**Assets**"). To pursue its investment objective, the Company has used the net proceeds of placings and other equity capital raisings, together with debt facilities (or instruments), to initially acquire four Airbus A380 aircraft which are leased to 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 Assets, and capital, upon the sale of the Assets.

Doric Nimrod Air Three Limited

COMPANY OVERVIEW (continued)

DNA Alpha

The Company has one wholly-owned subsidiary, DNA Alpha Limited (“**DNA Alpha**”) which holds or will hold the Assets for the Company. Together the Company and DNA Alpha are known as the (“**Group**”).

The first Asset was acquired by DNA Alpha on 29 August 2013 for a purchase price of US\$245 million. Upon delivery, DNA Alpha entered into an operating lease with Emirates, pursuant to which the first Asset has been leased to Emirates for an expected initial term of 12 years, with fixed lease rentals for the duration.

The second Asset was acquired by DNA Alpha on 29 October 2013 for a purchase price of US\$245 million. Upon delivery, DNA Alpha entered into an operating lease with Emirates, pursuant to which the second Asset has been leased to Emirates for an expected initial term of 12 years, with fixed lease rentals for the duration.

The third Asset was acquired by DNA Alpha on 14 November 2013 for a purchase price of US\$245 million. Upon delivery, DNA Alpha entered into an operating lease with Emirates, pursuant to which the third Asset has been leased to Emirates for an expected initial term of 12 years, with fixed lease rentals for the duration.

The fourth Asset was acquired by DNA Alpha on 27 November 2013 for a purchase price of US\$245 million. Upon delivery, DNA Alpha entered into an operating lease with Emirates, pursuant to which the fourth Asset has been leased to Emirates for an expected initial term of 12 years, with fixed lease rentals for the duration.

DNA Alpha acquired the Assets, using a combination of a portion of the proceeds of the issue of the Ordinary Shares by the Company together with the proceeds of the sale of Enhanced Equipment Trust Certificates issued by DNA Alpha (the “**Equipment Notes**”) and the initial rent payment pursuant to the relevant operating lease. The Equipment Notes were acquired by two separate pass through trusts using the proceeds of their issue of enhanced equipment trust certificates (the “**Certificates**”) as detailed within the Offering Circular issued by DNA Alpha dated 10 July 2013. The Certificates, with an aggregate face amount of approximately \$630 million, were admitted to the official list of the Irish Stock Exchange and to trading on the Main Securities market thereof on 12 July 2013.

Doric Nimrod Air Three Limited

COMPANY OVERVIEW (continued)

Distribution Policy

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

The Company declared a first interim dividend of 0.1715 pence per share on 1 October 2013 and a subsequent dividend of 1.7185 pence per share in January 2014. Now that all the four assets have been acquired and leased, the Company will, from April 2014 onwards, target a distribution to Shareholders of 2.0625 pence per share per quarter (amounting to a yearly distribution of 8.25% based on the initial placing price of 100 pence per share).

Future dividend payments are anticipated to continue to be declared and paid on a quarterly cycle on the basis specified above and subject to compliance with applicable laws and regulations.

There can be no guarantee that dividends will be paid to Shareholders and, if dividends are paid, as to the timing and amount of any such dividend. There can also be no guarantee that the Company will, at all times, satisfy the solvency test required to be satisfied pursuant to section 304 of the Companies (Guernsey) Law 2008 (the “**Guernsey Law**”) enabling the Directors to effect the payment of dividends.

Performance Overview

All payments by Emirates have to date been made in accordance with the terms of the respective leases.

In accordance with the Distribution Policy the Company declared two dividends of 0.1715 and 1.7185 pence per Ordinary Preference Share during the financial year to 31 March 2014 and two dividends of 2.0625 pence per Ordinary Preference Share after the reporting period. Further details of dividend payments can be found on page 24.

Doric Nimrod Air Three Limited

COMPANY OVERVIEW (continued)

Return of Capital

If and when the Company is wound up (pursuant to a shareholder resolution, including the liquidation resolution) the Company intends to return to Shareholders the net capital proceeds upon the eventual sale of the Assets subject to compliance with the relevant laws (including any applicable requirements of the solvency test contained therein).

Liquidation Resolution

Although the Company does not have a fixed life, the articles of incorporation (the “**Articles**”) require that the directors convene a general meeting of the Company in 2026 where an ordinary resolution will be proposed that the Company proceed to an orderly wind-up at the end of the term of the Leases and the directors will consider (and if necessary, propose to Shareholders) alternatives for the future of the Company, including re-leasing the Assets, or selling the Assets and reinvesting the capital received from the sale of the Assets in other aircraft.

Doric Nimrod Air Three Limited

CHAIRMANS STATEMENT

I am pleased to present Shareholders with the Company's annual financial report covering the period from incorporation on 2 July 2013 to 31 March 2014.

The Company's investment objective is to obtain income returns and a capital return for its Shareholders by acquiring, leasing and then selling aircraft. The Company used the net proceeds of the Placing and debt via two tranches of Enhanced Equipment Trust Certificates with an aggregate face value of \$630 million, to fund the purchase of four Airbus A380-861 aircraft and to lease them to Emirates, the national carrier owned by the Investments Corporation of Dubai, based in Dubai, United Emirates, between August and December 2013. The aircraft were acquired for the sum of US\$245 million each. The aircraft have been leased to Emirates for initial terms of twelve years with fixed lease rentals for the duration. The debt portion of the funding will be fully amortised over the twelve years of each lease, with the aim of leaving the aircraft unencumbered at the conclusion of the lease. All payments thus far by Emirates have been made in accordance with the terms of the leases.

The lease payments received by the Company from Emirates cover repayment of the debt as well as income to pay operating expenses and dividends to shareholders. Emirates bears all costs (including maintenance, repair and insurance) relating to the aircraft during the lifetime of the leases. The Company's Asset Manager, Amedeo Management Limited (formerly Doric Lease Corp Management Ltd), continues to monitor the leases and reports regularly to the Board. Nimrod Capital LLP, the Company's Placing and Corporate Agent as well as its Shareholder Advisory Agent, continues to liaise between the Board and Shareholders including distribution of quarterly fact sheets and the interim management statements.

The Company will have the ability to acquire further additional aircraft if, in the view of the Board, the acquisition of such additional aircraft would not have an adverse material effect on the Company's target income distributions.

During the calendar year 2013 overall global air traffic passenger demand, measured in revenue passenger kilometres (RPKs), expanded by 5.2% compared to the year before. This number represents exactly the average historical growth rate over the last 30 years, and was mainly driven by solid economic growth in the emerging

Doric Nimrod Air Three Limited

CHAIRMAN'S STATEMENT (continued)

regions. Less mature air travel markets continued to expand significantly faster than the more mature ones. In general, increasing air travel was consistent with the pick-up in economic growth around the globe.

Emirates has also continued to perform well flying more passengers than ever before carrying 44.5 million people to 142 destinations in 80 countries on six continents during the last financial year 2013/14. Passenger load factors remain high and the airline has ordered more wide bodied planes (including a further 50 A380's) to cope with its forecast increasing demand.

At the end of April 2014 the A380 had 10 operators with 128 planes in service. There were undelivered orders of some 195 A380s at that point in time. According to Airbus as at March 2014 the worldwide A380 fleet had accumulated 1.3 million flight hours in close to 155,000 commercial flights. The number of passengers who flew aboard an Airbus A380 was 55 million. Currently the A380 operates between more than 35 airports and every five minutes an A380 takes off or lands at these destinations.

The Board recognise Emirates are the sole lessee of the Assets, and in the event that Emirates default on the rental payments it is unlikely the Company will be able to meet its targeted dividends or, in the case of ongoing default, continue as a going concern. We do not believe this is a likelihood at this moment in time given the current and historical performance of Emirates and its current financial position.

In economic reality, the Company has also performed well. Four interim dividends were declared in the year and future dividends are targeted to be declared and paid on a quarterly basis. However, the financial statements do not in the Board's view properly convey this economic reality due to the accounting treatment for foreign exchange, rental income and finance costs.

International Financial Reporting Standards require that transactions denominated in US Dollars (including, most importantly, the cost of the aircraft) are translated into sterling at the exchange rate ruling at the date of the transaction whilst monetary items (principally the outstanding borrowings) are translated at the rate prevailing on

Doric Nimrod Air Three Limited

CHAIRMAN'S STATEMENT (continued)

the reporting date. The resultant figures sometimes show very large mismatches which are reported as unrealised foreign exchange differences.

On an on-going basis and assuming the lease and loan payments are made as anticipated, such exchange differences do not reflect the commercial substance of the situation in the sense that the key transactions denominated in US Dollars are in fact closely matched. Rental income received in dollars is used to pay debt repayments due which are likewise denominated in dollars. Dollar lease rentals and debt repayments are furthermore fixed at the outset of the Company's life and are very similar in amount and timing.

In addition to this, rental income receivable is credited evenly to the Statement of Comprehensive Income over the planned life of the Company. Conversely, the methodology for accounting for interest cost means that the proportion of the debt repayments which is treated as interest, and is debited to the Statement of Comprehensive Income, varies over the term of the debt with a higher proportion of interest recognised in earlier periods – so that the differential between rental income and interest cost (as reported in the Statement of Comprehensive Income) reduces over the course of 12 years. In reality however the amount of rental income is fixed so as to closely match the interest and principal components of each debt repayment instalment.

An annual review is required of the residual value of the Assets as per IAS 16 *Property, Plant and Equipment* which defines residual value as “*the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of age and in the condition expected at the end of its useful life.*”. The Company's estimation technique is to make reference to the current forecast market value, not the amount that would currently be achieved, and so this value is not a direct application of the IAS 16 definition of residual value. The Company has engaged three internationally recognised expert appraisers to provide the Company with third party consultancy valuation services. The Company has also received reports from Amedeo, who have confirmed it has no reason to question the methodology used within the appraisal reports to determine the residual value and that they do not believe the appraisals show a fundamental movement in the anticipated residual values of the planes since

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CHAIRMAN'S STATEMENT (continued)

they were acquired. Thus Amedeo has advised the Committee they do not believe the estimate of residual value need be changed for the Period. Upon review of the professional advice they have received, the Board is of the opinion that, the current estimate of the residual value of the Assets is a reasonable approximation of the residual value within the IAS 16 definition of residual value given a comparable asset is not available.

On behalf of the Board, I would like to thank our service providers for all their help and assistance and all shareholders for their continued support of the Company.

Charles Wilkinson

Chairman

Doric Nimrod Air Three Limited

ASSET MANAGERS REPORT

On the invitation of the directors of the Company, the following commentary has been provided by Amedeo Management Limited as Asset Manager of the Company and is provided without any warranty as to its accuracy and without any liability incurred on the part of the Company, its directors and officers and service providers. The commentary is not intended to constitute, and should not be construed as, investment advice. Potential investors in the Company should seek their own independent financial advice and may not rely on this communication in evaluating the merits of an investment in the Company. The commentary is provided as a source of information for shareholders of the Company but is not attributable to the Company.

In August 2013 Doric Nimrod Air Three Limited (“the Company”) received its first Airbus A380 aircraft, bearing manufacturer’s serial numbers (MSN) 132. The other three aircraft were delivered during the fourth quarter 2013 as follows: 29 October (MSN 136), 14 November (MSN 134) and 27 November (MSN 133). All are leased to Emirates Airlines (“Emirates”) – the national carrier owned by the Investment Corporation of Dubai, based in Dubai, United Arab Emirates – for an initial term of 12 years from the point of delivery, with fixed lease rentals for the duration.

The A380s owned by the Company visited Brisbane, Bangkok, Jeddah, Kuala Lumpur, Los Angeles, Melbourne, Shanghai, Sydney, and Toronto during the financial year ended on 31 March 2014.

Aircraft utilization for the period from delivery of each Airbus A380 until the end of March 2014 was:

Aircraft Utilization				
MSN	Delivery Date	Flight Hours	Flight Cycles	Average Flight Duration
132	29/08/2013	3,229	359	9 h 0 min
133	27/11/2013	1,838	179	10 h 15 min
134	14/11/2013	1,971	182	10 h 50 min
136	29/10/2013	2,341	233	10 h 5 min

Maintenance Status

Emirates maintains its A380 aircraft fleet based on a maintenance programme

Doric Nimrod Air Three Limited

ASSET MANAGERS REPORT (continued)

according to which minor maintenance checks are performed every 1,500 flight hours, and more significant maintenance checks (C checks) every 24 months or 12,000 flight hours, whichever comes first. Emirates bears all costs (including maintenance, repair and insurance) relating to the aircraft during the lifetime of the lease.

Hairline Cracks

In late 2011, hairline cracks within the wing structure of some A380s in service were detected. In order to fix this issue Airbus developed a wing rib feet modification programme. With respect to the four aircraft owned by the Company the modification was already embodied during the final assembly, therefore no inspection and no further modification is required.

2. Market Overview

During 2013 passenger demand, measured in revenue passenger kilometres (RPKs), expanded by 5.2% compared to the year before. This number represents exactly the average historical growth rate over the last 30 years. Market development during 2013 was mainly driven by solid economic growth in the emerging regions. Less mature air travel markets continued to expand significantly faster than the more mature ones. The industry also experienced a firm start into the year 2014. RPKs in the first quarter of the current calendar year increased by 5.6% above the period the year before, but stagnated in March compared to February. In general, accelerating air travel markets during the last months are consistent with a pick-up in economic growth across the globe.

A regional breakdown reveals that the Middle East airlines were once more the best-performing in terms of RPK growth with a plus of 11.4% during 2013. The Asia/Pacific region grew by 7.1%. The most modest growth was again observed in North America with 2.3%. This growth pattern is continuing in the current year. During the first quarter of 2014 traffic in the Middle East increased by 13.3% compared to the same period the year before. At the lower end North America has been replaced by Africa where RPKs contracted by 0.5%.

Between January and December 2013 airlines increased their capacities, measured in available seat kilometres (ASKs), by 4.8%. With some exceptions, the operators

Doric Nimrod Air Three Limited

ASSET MANAGERS REPORT (continued)

remained careful in their capacity planning. Overall the growth rate of RPKs exceeded the ASK increase. The average passenger load factor during the year 2013 was 79.5%. This is an increase of 0.4%-points compared to the year before. From a historic perspective passenger load factors remain stable on a high level. In 2014 worldwide passenger load factors could exceed 81% for the first time in the industry's history. According to the latest traffic forecast released by IATA in March 2014, RPKs are expected to grow by 5.8% in 2014 and 6.7% in 2015. Outlook for 2015 was slightly downgraded by 0.2%-points since the previous publication from December 2013.

IATA released its latest industry outlook in March 2014 according to which global industry profits are expected to reach USD 18.7 billion in 2014. This is slightly lower than IATA's December 2013 estimate of USD 19.7 billion. The main driver of this downward revision is an adjusted projection for oil price development, which has been increased by USD 3.50 per barrel for geo-political reasons such as the latest developments in the Ukraine. But according to IATA's General Director and CEO, Tony Tyler, the general outlook to the industry is positive. Expected GDP growth, which is closely linked to airlines profitability, is largely driven by developed economies after some key emerging economies like India and Brazil face economic challenges.

During 2013 Airbus delivered more aircraft to its customers than ever before. At the same time the European aircraft manufacturer received new orders for 1,503 aircraft. At year-end order backlog increased to 5,559 aircraft with a cumulative list price of more than USD 800 billion. This is a new record to the aviation industry.

Source: Airbus, IATA

3. Lessee – Emirates Key Financials and Outlook

Emirates announced its 26th consecutive year of profit and company-wide growth for the financial year ended on 31 March 2014, despite competitive pressure and a global economic environment that is only slowly recovering.

Revenue reached a record high of USD 22.5 billion, up by 13% compared to the previous financial year, and continues to be well balanced with no region contributing more than 30%. East Asia and Australasia remained the highest revenue contributing

Doric Nimrod Air Three Limited

ASSET MANAGERS REPORT (continued)

regions with USD 6.5 billion, up 14.1% from 2012/2013. Gulf and Middle East (up 16.6% to USD 2.3 billion), Europe (up 16.3% to USD 6.4 billion) and Africa (up 15.1% to USD 2.1 billion) saw the most significant growth rates, reflecting new destinations as well as increased frequency and capacity to these regions.

The airline posted a net profit of USD 887 million, representing an increase of 43% over last year's results. With a share of nearly 40% fuel remains the largest operating cost category. Compared to last financial year, the average price of jet fuel was slightly lower relieving the carrier's bottom line. Due to the growing fleet Emirates' fuel bill increased by 10% to reach USD 8.4 billion. Total operating costs showed a smaller increase (+11.5%) than the revenues (+13%) in the financial year 2013/2014 resulting in a profit margin of 3.9%.

As of 31 March 2014 the balance sheet total amounted to USD 27.7 billion, an increase of 7.2% from the previous year. Total equity increased by 10.6% to USD 6.9 billion with an equity ratio of 25.1%. The equity ratio is defined as total equity divided by balance sheet total. The current ratio was 0.84; therefore the airline would be able to meet most of its current liabilities by liquidating all of its current assets. Significant items on the liabilities side of the balance sheet included finance leases in the amount of USD 8.6 billion and revenues received in advance from passenger and freight sales (USD 3.1 billion). As of 31 March 2014 the carrier's cash balance reached USD 4.5 billion.

Emirates continued with its growth plan and saw the largest increase in Available Tonne Kilometres (ATKs) in the airline's history during the financial year 2013/2014.

Between April 2013 and March 2014, as compared to the prior financial year, the airline's ASKs increased by 14.6%. Measured in RPKs passenger traffic grew by 14.2%, resulting in an average passenger load factor of 79.4%. This is slightly below the 79.7% reached in the period before. A record 44.5 million passengers flew with Emirates between April 2013 and March 2014 – an increase of 13.1% compared to the previous period.

The airline received 24 widebody aircraft, including 16 Airbus A380s, 6 Boeing 777-300ER and 2 Boeing 777F freighters. At the Dubai Air Show in November 2013

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ASSET MANAGERS REPORT (continued)

Emirates signed contracts with Airbus and Boeing for a combined value of USD 99 billion (list prices) consisting of 150 Boeing 777X and another 50 Airbus A380. According to the operator, the first 25 of the additional A380 will come into service before the first quarter of 2018. Deliveries for 777Xs are scheduled to start in 2020. By that year Emirates expects to have more than 250 widebody aircraft in the air serving some 70 million passengers a year.

The airline is not only heavily investing in new aircraft, but it is also running the world's largest paint hangar owned by an airline. Twice the size of a football field, the facility operates 24 hours a day, seven days a week. Between January and December 2013 Emirates completed 21 "make-overs" comprising paint stripping and repaint of complete aircraft. According to the airline, the first A380 which entered into service in August 2008 will be due for a repaint in 2015.

As of 30 April 2014 Emirates has 213 widebody aircraft in operation, with firm orders for another 224 aircraft, including 93 A380s, 58 Boeing 777-300ER and 120 Airbus A350. The airline operates the world's largest fleets of Airbus A380s and Boeing 777-300ER. During the financial year 2013/2014 Emirates raised USD 3.3 billion in new funding mainly to secure its on-going fleet expansion. The carrier made use of a variety of financing structures to meet its refinancing needs, including a second Enhanced Equipment Trust Certificates (EETCs) emission through a lessor (Doric Nimrod Air Three Ltd.).

With its increased fleet and resources, Emirates launched nine destinations during the last financial year. In May 2014 Emirates operated flights to 141 destinations in 80 countries on six continents. During the calendar year 2013 the airline's fleet travelled more than 751 million kilometres, circling the globe over 18,000 times and carrying over 43 million passengers. As of May 2014 the airline operates nearly 3,200 flights per week.

In the current financial year the airline envisage adding at least another five passenger routes including Abuja (Nigeria), Brussels, Chicago, Kano (Nigeria) and Oslo.

Source: Ascend, Emirates

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ASSET MANAGERS REPORT (continued)

4. Aircraft — A380

At the end of April 2014 Emirates had a fleet of 47 A380s which serve 26 destinations worldwide: Amsterdam, Auckland, Bangkok, Barcelona, Beijing, Brisbane, Hong Kong, Jeddah, Kuala Lumpur, London Gatwick, London Heathrow, Los Angeles, Manchester, Mauritius, Melbourne, Moscow, Munich, New York JFK, Paris, Rome, Seoul, Shanghai, Singapore, Sydney, Toronto, and Zurich. London Gatwick became an A380 destination only recently, even though it was Emirates' first destination when the airline commenced flights to the UK back in 1987. Furthermore Emirates announced an upgrade of service from Dubai to Kuwait with the introduction of the A380 starting in July 2014. Dallas is scheduled to complement the list of A380 destinations in October 2014. The carrier remains by far the largest A380 operator in terms of aircraft number. Emirates has an additional 93 aircraft of this type on firm order.

At the end of April 2014, the global A380 fleet consisted of 128 planes that were in service with ten operators: Emirates (47 A380 aircraft), Singapore Airlines (19), Qantas (12), Deutsche Lufthansa (11), Air France (9), Korean Airways (8), China Southern Airlines (5), Malaysia Airlines (6), Thai Airways (6) and British Airways (5). There are 195 outstanding orders for Airbus A380s at the end of April 2014 as yet undelivered. Qantas, Air France and Virgin Atlantic have announced some postponements from their original delivery dates and Deutsche Lufthansa has cancelled options to buy three aircraft following a fleet planning revision in 2013 .

According to the manufacturer, a number of new operators will receive their aircraft in the current calendar year. Qatar Airways will join the club of A380 operators first, followed by South-Korean based Asiana Airlines and Skymark Airlines of Japan. United Arab Emirates' flag carrier Etihad Airways is expected to receive the first A380 by the close of this year.

In January 2014 the Indian Ministry of Civil Aviation lifted the ban for A380 operations at Indian airports. Four major international airports including New Delhi and Mumbai have already been equipped to handle the superjumbo. It is expected that major A380 operators like Emirates, Deutsche Lufthansa and Singapore Airlines will use

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ASSET MANAGERS REPORT (continued)

their aircraft for flights to India in the future. Services will be subject to traffic entitlements within bilateral agreements.

In February 2014 Doric Lease Corp Management Limited, which had been formed in 2013, changed its name to Amedeo Management Limited ("**Amedeo**"). Amedeo aims to be a dedicated and actively managed widebody aircraft acquisition and leasing business , with a specialised focus on the A380. It confirmed an order for twenty A380s at the Singapore Air Show in February 2014 with the aim of leasing these planes on to commercial airlines.

According to Airbus, the worldwide A380 fleet has accumulated around 1.3 million flight hours in close to 155,000 commercial flights until March 2014. The number of passengers flying aboard an Airbus A380 to date is approximately 55 million.

Source: Airbus, Ascend, Bloomberg, Emirates

Doric Nimrod Air Three Limited

DIRECTORS

Charles Edmund Wilkinson - Chairman (Age 71)

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.

Charles is currently Chairman of the Board of Doric Nimrod Air One Limited and Chairman of the audit committee of Doric Nimrod Air Two Limited and a director of Premier Energy and Water Trust PLC (a listed investment trust), and Landore Resources Ltd, a Guernsey based mining exploration company. He is resident in Guernsey.

Norbert Bannon (Age 65)

Norbert Bannon is chairman of a large UK DB pension fund, a major Irish DC pension scheme and is a director of and advisor to a number of other financial companies. He is on the board of the UK subsidiary of a major Canadian bank and is Chairman of the audit committees of Doric Nimrod Air One Limited and this Company and the Chairman of Doric Nimrod Air Two Limited.

He has extensive experience in international finance having been CEO of banks in Singapore and New York. He was CEO of Ireland's largest venture capital company and was Finance Director and Head of Risk at AIB Capital Markets, which he left in 2002. He has worked as a consultant on risk issues internationally.

He earned a degree in Economics from Queens University Belfast, studied at Stanford Graduate School of Business and is a Chartered Accountant.

Geoffrey Alan Hall (Age 65)

Geoffrey Hall has extensive experience in asset management, having previously been Chief Investment Officer of Allianz Insurance plc, a major UK general insurance company and an investment manager at HSBC Asset Management, County Investment Management, and British Railways Pension Funds. Geoffrey is also currently a Director of Doric Nimrod Air One Limited and Doric Nimrod Air Two Limited.

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DIRECTORS

Geoffrey earned his masters degree in Geography at University of London. He is an associate of the UK Society of Investment Professionals (CFA Institute of the UK).

John Le Prevost (Age 62)

John Le Prevost is the Chief Executive Officer of Anson Group Limited and Chairman of Anson Registrars Limited (the Company's Registrar). He has spent 30 years working in offshore trusts and investment business during which time he was Managing Director of County NatWest Investment Management (Channel Islands) Limited, Royal Bank of Canada's mutual fund company in Guernsey and Republic National Bank of New York's international trust company. John is a director of BlueCrest AllBlue Fund Limited, a FTSE 350 listed fund of hedgefunds and of Guaranteed Investment Products 1 PCC Limited, Guernsey's largest protected cell company. He is a director of a number of companies associated with Anson Group's business as well as being a trustee of the Guernsey Sailing Trust. John is also currently a Director of Doric Nimrod Air One Limited and Doric Nimrod Air Two Limited. He is resident in Guernsey.

Doric Nimrod Air Three Limited

SERVICE PROVIDERS

Management and the Delegation of Functions

The directors, whose details are set out in pages 17 to 18 are responsible for reviewing the business affairs of the Company in accordance with the Articles and the prospectus and have overall responsibility for the Company's activities including all business decisions, review of performance and authorisation of distributions. All of the directors are independent and non-executive. The Company has delegated management of the Assets to Amedeo Management Limited (the “**Asset Manager**” or “**Amedeo**”), which is a Company incorporated in Ireland. The directors delegate secretarial and administrative functions to JTC Fund Managers (Guernsey) Limited (“**JTC**” or the “**Secretary & Administrator**”) which is a Company incorporated in Guernsey and licenced by the Guernsey Financial Services Commission for the provision of administration services.

Asset Manager and Lease and Debt Arranger

Amedeo has been appointed by the Company to provide asset management services to the Company. Pursuant to the Asset Management Agreement, Amedeo will: (i) monitor Emirates' and any subsequent lessees' performance of its obligations under the respective operating leases and any subsequent lease respectively (which shall include the obligations relating to the maintenance of insurance cover); (ii) provide the Company with information regarding alternatives with respect to any potential sale or re-lease of the Assets; (iii) carry out mid-lease inspections of the Assets; (iv) provide the Company with asset monitoring reports describing the state and any material changes to the state of the Assets; and (v) liaise, as and when necessary, with lenders, on all matters relating to the loans, as required. Amedeo has further undertaken that it will dedicate sufficient time and resources as the Company reasonably believes is required from time to time to fulfil any contractual arrangements it enters into with the Company.

Amedeo has also been appointed by the Company, pursuant to the Agency Agreement, to assist the Company, and act as the Company's agent, in relation to the arrangement, negotiation, review, approval, execution and management on behalf of the Company of the acquisition of the Assets, the borrowings of the Company relating to the acquisition of the Assets, and the operating leases. Amedeo is a subsidiary of Amedeo Capital Limited, a Cayman company engaged in the business of aircraft operating leasing and management.

Doric Nimrod Air Three Limited

SERVICE PROVIDERS (continued)

Amedeo Services (UK) Limited has been appointed by the Company, pursuant to the Liaison Services Agreement, to: (i) coordinate the provision of services by Amedeo Management Limited to the Company under the Asset Management Agreement and the Agency Agreement, as relevant; and (ii) facilitate communication between the Company and Amedeo. Amedeo Services (UK) Limited is part of the Amedeo group of companies.

The Amedeo group is primarily involved in the operating lease and management of widebody aircraft. In February 2014 at the Singapore Air Show, Amedeo confirmed an order for twenty A380 aircraft. Amedeo is a member of ISTAT, the International Society of Transport Aircraft Trading.

Corporate and Shareholder Adviser

Nimrod Capital LLP ("**Nimrod**"), which is authorised by the Financial Conduct Authority, has been appointed as the Corporate and Shareholder adviser by the Company.

Nimrod was founded in 2008 as an entirely independent organisation which specialises in generating and sourcing interesting investment funds, themes and solutions managed by experts in their fields for the professional investor marketplace. It has launched six listed investment companies since its formation and it also provides investment, marketing, distribution and advisory services to investment companies and their Board and managers.

Secretary & Administrator

Formed in 1987, JTC Group is a multi-jurisdictional, independent provider of corporate, fund and private client services, with significant global experience and £23.8 billion (US\$39.7bn) assets under administration.

With a highly qualified and multilingual workforce of nearly 300 employees, JTC Group operates from 18 jurisdictions around the world with offices in Argentina, Brazil, BVI, Guernsey, Jersey, Luxembourg, New Zealand, Switzerland, UK and USA (a representative office), as well as alliance offices in the Cayman Islands, Cyprus, Hong Kong, Indonesia, Labuan, Malaysia, Netherlands and Singapore.

Doric Nimrod Air Three Limited

SERVICE PROVIDERS (continued)

JTC Fund Managers (Guernsey) Limited ("JTC") is a Guernsey incorporated company and provides administration and secretarial services to the Company pursuant to an Administration and Secretarial Agreement. In such capacity, JTC is responsible for the general secretarial functions required by the law and ensures that the Company complies with its continuing obligations as well as advising on the corporate governance requirements and recommendations as applicable to a company listed on the CISE and admitted to trading on the SFM. JTC was formerly known as Anson Fund Managers Limited which was acquired by JTC Group in December 2013.

The Administrator is also responsible for the Company's general administrative functions such as the calculation of the net asset value of Shares and the maintenance of accounting and statutory records and any reporting required under the Foreign Account Tax Compliance Act of the United States of America.

Review

The Board keeps under review the performance of the Asset Manager, Corporate and Shareholder Adviser and the Secretary & Administrator and the powers delegated to each service provider. In the opinion of the Board the continuing appointments of the service providers on the terms agreed is in the interest of shareholders as a whole.

Doric Nimrod Air Three Limited

MANAGEMENT REPORT

A description of important events which have occurred during the period from 1 April 2013 to 31 March 2014 (the "Period"), their impact on the performance of the Group as shown in the financial statements and a description of the principal risks and uncertainties facing the Group is given in the Chairman's Statement, Asset Manager's Report and the notes to the financial statements contained on pages 49 to 69 and are incorporated here by reference.

Going Concern

The Group's principal activities are set out within the Overview on pages 2 to 5. The financial position of the Group is set out on page 45 to 48. In addition, Note 17 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives and its exposures to credit risk and liquidity risk.

The interest rate under each Equipment Note has been fixed and the fixed rental income under the relevant Lease has been co-ordinated with the loan repayments therefore the rent income should be sufficient to repay the Equipment Notes and provide surplus income to pay for the Group's expenses and permit payment of dividends. There were no material related party transactions which took place in the financial period.

After making reasonable enquiries, the Directors have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Responsibility Statement

The Directors jointly and severally confirm that to the best of their knowledge:

- (a) The financial statements, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profits of the Group and performance of the Group;
- (b) This Management Report includes or incorporates by reference a fair review of the development and performance of the business and the position of the

Doric Nimrod Air Three Limited

MANAGEMENT REPORT

Group, together with a description of the principal risks and uncertainties that it faces;

- (c) The Annual Report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company and the Group's performance, business model and strategy; and
- (d) The Annual Report includes information required by the CISE and for ensuring the Company complies with the relevant provisions of the Disclosure and Transparency Rules of the UK Listing Authority.

Charles Wilkinson

Chairman

Norbert Bannon

Chairman of Audit Committee

Doric Nimrod Air Three Limited

DIRECTORS' REPORT

The Directors present their report and financial statements of the Group for the period from 1 April 2013 to 31 March 2014 (the “**Period**”).

Principal Activities and Business Review

The principal activity of the Group is to acquire, lease and then sell aircraft. The Directors do not envisage any change in these activities for the foreseeable future. A description of the activities of the Group in the Period under review is given in the Asset Managers Report on pages 10 to 16.

Status

The Company is a Guernsey domiciled company the Ordinary Preference Shares of which are admitted to the official list of the CISE and to trading on the SFM. Its registered number is 54908. The Company operates in accordance with the Companies (Guernsey) Law, 2008, as amended (the “**Law**”).

Results and Dividends

The results of the Group for the Period are set out on pages 45 to 48.

The Company declared the following dividends during the period from 1 April 2013 to date as follows:

Ordinary Preference Shares

	Quarter End	Announcement Date	Dividend per share (pence)
First interim for financial period ended 31 March 2014	30 September 2013	1 October 2014	0.1715
Second interim for financial period ended 31 March 2014	31 December 2013	7 January 2014	1.7185
Final interim for financial period ended 31 March 2014	31 March 2014	1 April 2014	2.0625
First interim for financial period ended 31 March 2015	30 June 2014	1 July 2014	2.0625

Doric Nimrod Air Three Limited

DIRECTORS' REPORT (Continued)

Directors

The Directors in office are shown on pages 17 to 18 and all directors remain in office as at the date of signature of these financial statements. Mr John Le Prevost was appointed as non-executive Director of the Company effective 13 January 2014. Further details of the Director's responsibilities are given on pages 27 to 33.

Anson Registrars Limited is the Company's Registrar, Transfer Agent and Paying Agent. John Le Prevost is a director and controlling shareholder of Anson Group Limited, the holding company of Anson Registrars Limited.

No Director has a contract of service with the Company, nor are any such contracts proposed.

The following interests in shares of the Company are held by Directors and their connected persons:

	<u>Number of Ordinary Preference Shares</u>
Charles Wilkinson	150,000
Geoffrey Hall	90,000

Other than the above share holdings and Mr Le Prevost's interest in Anson Registrars Limited, none of the Directors nor any persons connected with them had a material interest in any of the Company's transactions, arrangements or agreements during the period and none of the Directors has or had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company, and which was effected by the Company during the reporting period.

At the date of this report, there are no outstanding loans or guarantees between the Company and any Director.

There were no material related party transactions which took place in the financial period, other than those disclosed in the Directors' Report and at Note 20 to the financial statements.

Doric Nimrod Air Three Limited

DIRECTORS' REPORT (continued)

Substantial Shareholdings

The Company has been notified of the following substantial interests, in accordance with Chapter 5 of the Disclosure and Transparency Rules, in the Company's share capital.

There have been no material changes in the below list of substantial holdings since 24 July 2014, being the latest practicable date prior to publication of this report.

Registered Holder	% of Total Voting Rights	Number of Shares
Nortrust Nominees Limited	29.81%	65,584,602
State Street Nominees Limited	5.59%	12,300,000
HSBC Global Custody	5.00%	11,000,000
Nominee (UK) Limited		

Corporate Governance

Statement of Compliance with the UK Corporate Governance Code

As a Guernsey company with shares admitted to the SFM, the Company is not obliged to adopt the UK Corporate Governance Code. The Company has however voluntarily committed to comply with the UK Corporate Governance Code. A copy of the UK Corporate Governance Code is available for download from the Financial Reporting Council's web-site (www.frc.org.uk). Companies which report against the UK Corporate Governance Code are also deemed to meet the requirements of the GFSC Code.

Save for departing from the requirements to: (i) have a chief executive (since the Company does not have any executive directors); (ii) have a senior independent director (since the Company considers that each director who is not Chairman can effectively fulfil this function); (iii) have a remuneration committee (given the small size of the exclusively non-executive and independent Board); (iv) have a nomination committee (given the small size of the exclusively non-executive and independent Board); (v) appoint the Directors for a term of six years (given the term of the Leases is twelve years) and (vi) have an internal audit function (as the Company has no executives or employees of its own), the Company is not presently aware of any departures from the UK Corporate Governance Code.

Doric Nimrod Air Three Limited

DIRECTORS' REPORT (continued)

Board Responsibilities

The Board comprises four directors, who meet quarterly to consider the affairs of the Company and of the Group in a prescribed and structured manner. Biographies of the directors appear on page 17 to 18 demonstrating the wide range of skills and experience they bring to the Board. All the directors are non-executive and independent. The Board regularly reviews the balance, knowledge and effectiveness of the Board, to identify if any additional experience or skills are needed and to ensure that the current directors have sufficient available time to undertake the tasks required and remain independent. When considering the composition of the Board the directors will be mindful of diversity and meritocracy.

To date no director of the Company has resigned. Directors are able and encouraged to provide statements to the Board of their concerns and ensure that any items of concern are recorded in the Board minutes.

All directors receive an annual fee and there are no share options or other performance related benefits available to them. All directors are currently paid a fee of £23,000 per annum and the Chairman is paid an additional fee of £6,000 per annum. The Chairman of the Audit Committee is paid an additional £2,000 per annum.

Board meetings are held at least four times per year to consider the business and affairs of the Company and of the Group for the previous quarter, at which meetings the Directors also consider and if thought suitable, approve the payment of a dividend in accordance with the Company's Distribution Policy. A further two regular meetings are held each year to consider and approve the Group's financial statements as well as to consider the business and affairs of the Group during the preceding financial period and going forward thereafter.

Between these regular meetings the Board keeps in contact by email and telephone as well as meeting to consider specific matters of a transactional nature. Additionally it holds strategy meetings with its relevant advisors as appropriate. The directors are kept fully informed by the Asset Manager and Secretary of all matters that are relevant to the business of the Group and should be brought to the attention of the directors and/or Shareholders. All directors have direct access to the Secretary who

Doric Nimrod Air Three Limited

DIRECTORS' REPORT (continued)

is responsible for ensuring that Board procedures are followed and that there are good information flows both within the Board and between the Committees and the Board.

The directors also have access to the advice and services of the Asset Manager, Corporate and Shareholder Advisory Agent as required. The directors may also, in the furtherance of their duties, take independent professional advice at the Company's expense.

During the Period the Board met six times per the regular schedule of meetings outlined above. The director's attendance is summarised below:-

Director	Board Meetings during the Period and / or since appointment
Charles Wilkinson	5 of 6
Norbert Bannon	6 of 6
Geoffrey Hall	6 of 6
John Le Prevost	0 of 1

Audit Committee

The directors are all members of the Audit Committee, with Norbert Bannon acting as Chairman. The Audit Committee has regard to the Guidance on Audit Committees published by the Financial Reporting Council in September 2012. The Audit Committee examines the effectiveness of the Company's and service provider internal control systems as appropriate, the annual and half-yearly reports and financial statements, the auditor's remuneration and engagement, as well as the auditor's independence and any non-audit services provided by them.

The Audit Committee considers the nature, scope and results of the auditor's work and reviews annually prior to providing a recommendation to the Board on the re-appointment or removal of the auditor. When evaluating the external auditor the Audit Committee has regard to a variety of criteria including industry experience, independence, reasonableness of audit plan, ability to deliver constructive criticism, effectiveness of communication with Board and the Company's service providers,

Doric Nimrod Air Three Limited

DIRECTORS' REPORT (continued)

quality control procedures, management of audit process and added value beyond assurance in audit opinion.

Auditor independence is maintained through limiting non-audit services to specific audit-related work that falls within defined categories. For example certain agreed upon procedures in respect of the company's calculations should it undertake a C share conversion, the provision of advice on the application of IFRS or formal reports for any Stock Exchange purposes. All engagements with the auditor are subject to pre-approval from the Audit Committee and fully disclosed within the Annual Financial Report for the relevant period. A new lead audit partner is appointed every five years and the Audit Committee ensures the auditor has appropriate internal mechanisms in place to ensure its independence. The Audit Committee has recommended to the Board that the re-appointment of Deloitte LLP as the Company's external auditor be proposed to Shareholders at the 2014 Annual General Meeting. The Audit Committee will consider arranging for the external audit contract to be tendered in 2023 (being 10 years from the initial appointment) with the aim of ensuring a high quality and effective audit.

The Audit Committee meets at least twice annually, shortly before the Board meets to consider the Company's half-yearly and annual financial reports, and reports to the Board with its deliberations and recommendations and also has an annual planning meeting with the Auditor. The Audit Committee operates within clearly defined terms of reference based on the Institute of Chartered Secretaries and Administration recommended terms and provides a forum through which the Company's external auditor report to the Board. The Audit Committee can request information from the Company's service providers with the majority of information being directly sourced from the Asset Manager, Secretary & Administrator and the external auditor. The terms of reference of the Audit Committee are available upon request.

Each year the Board examines the Audit Committee's performance and effectiveness, and ensures that its tasks and processes remain appropriate. Key areas covered included the clarity of the committee's role and responsibilities, the balance of skills among its members and the effectiveness of reporting its work to the Board. The Board is satisfied that all members of the Committee have relevant financial experience and knowledge and ensure that such knowledge remains up to date.

Doric Nimrod Air Three Limited

DIRECTORS' REPORT (continued)

Overall the Board considered the Audit Committee had the right composition in terms of expertise and has effectively undertaken its activities and reported them to the Board during the year.

Internal Control and Financial Reporting

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board confirms that there is an on-going process for identifying, evaluating and monitoring the significant risks faced by the Group.

The internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

The Board on an annual basis conducts a full review of the Company's risk management systems including consideration of a risk matrix which covers various areas of risk including corporate strategy, accuracy of published information, compliance with laws and regulations, relationships with service providers and business activities.

Asset Management services are provided by Amedeo. Administration and Secretarial duties for the Company and the Group are performed by JTC.

The directors of the Company clearly define the duties and responsibilities of their agents and advisors. The appointment of agents and advisers is conducted by the Board after consideration of the quality of the parties involved and the Board monitors their on-going performance and contractual arrangements. The Board also specifies which matters are reserved for a decision by the Board and which matters may be delegated to its agents and advisers.

Bribery

The Directors have undertaken to operate the business in an honest and ethical manner and accordingly take a zero-tolerance approach to bribery and corruption. The key components of this approach are implemented as follows:

Doric Nimrod Air Three Limited

DIRECTORS' REPORT (continued)

- The Board is committed to acting professionally, fairly and with integrity in all its business dealings and relationships.
- The Group will implement and enforce effective procedures to counter bribery.
- The Group requires all its service providers and advisors to adopt equivalent or similar principles.

Dialogue with Shareholders

All holders of Shares in the Company have the right to receive notice of, and attend, the general meetings of the Company, during which members of the Board will be available to discuss issues affecting the Company.

The primary responsibility for Shareholder relations lies with the Company's Corporate and Shareholder Advisory Agent. In addition the directors are always available to enter into dialogue with Shareholders and the Chairman is always willing to meet major Shareholders as the Company believes such communication to be important. The Company's directors can be contacted at the Company's registered office or via the Secretary.

Statement of Directors' Responsibilities

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

The Guernsey Law requires the directors to prepare financial statements for each financial year. Under the Guernsey Law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and applicable law.

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

Doric Nimrod Air Three Limited

DIRECTORS' REPORT (continued)

In preparing these financial statements, the directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and Group and to enable them to ensure that the financial statements comply with the Guernsey Law. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and Group and to prevent and detect fraud and other irregularities.

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

Disclosure of information to the auditor

The directors who held office at the date of approval of this Directors' Report confirm in accordance with the provisions of Section 249 of the Guernsey Law that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Doric Nimrod Air Three Limited

DIRECTORS' REPORT (continued)

Auditor

Deloitte LLP have expressed their willingness to continue in office as Auditor and the Audit Committee has recommended their reappointment. A resolution proposing their reappointment will be submitted at the forthcoming General Meeting to be held pursuant to section 199 of the Guernsey Law.

Charles Wilkinson
Chairman of the Board

Norbert Bannon
Chairman of Audit Committee

Signed on behalf of the Board on

2014

Director

Doric Nimrod Air Three Limited

AUDIT COMMITTEE REPORT

MEMBERSHIP

Norbert Bannon – Chairman of the Audit Committee

Charles Wilkinson – Chairman of the Board

Geoffrey Hall – Director

John Le Prevost – Director

KEY OBJECTIVE

The provision of effective governance over (i) the appropriateness of the Company's financial reporting including the adequacy of related disclosures, (ii) the performance of the Company's external auditor, (iii) monitoring of the systems of internal controls operated by the Company and (iv) the Company's principal service providers and the management of the Company's regulatory compliance activities.

RESPONSIBILITIES

- reviewing the Company's financial results announcements and financial statements and monitoring compliance with relevant statutory and listing requirements;
- reporting to the Board on the appropriateness of the Company's accounting policies and practices including critical accounting policies and practices;
- advising the Board on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- overseeing the relationship with the external auditor; and
- monitoring the systems of internal controls operated by the Company and by the Company's principal service providers; and
- reviewing the effectiveness of the external audit process.

COMMITTEE MEETINGS

We meet at least twice a year. We report to the Board as part of a separate agenda item, on our activities and on matters of particular relevance to the Board in the conduct of their work. During the Period we formally reported to the Board on one occasion.

Doric Nimrod Air Three Limited

AUDIT COMMITTEE REPORT (continued)

MAIN ACTIVITIES OF THE COMMITTEE DURING THE YEAR

We assisted the Board in carrying out its responsibilities in relation to financial reporting requirements, compliance and the assessment of internal controls. We also managed the Company's relationship with the external auditor.

FAIR, BALANCED AND UNDERSTANDABLE

Following the publication of the revised version of the UK Corporate Governance Code, which applies to Financial Years commencing on or after 1 October 2012, the Board requested that we advise them on whether we believe the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

FINANCIAL REPORTING AND SIGNIFICANT ISSUES

Our primary role in relation to financial reporting is to review, with management and the external auditor, the appropriateness of the half-year and annual financial statements, the significant financial reporting issues and accounting policies and disclosures in the financial statements. The Committee has considered the key audit risks identified as being significant to the 2014 accounts and the most appropriate treatment and disclosure of any new significant issues identified during the audit and half-year reviews as well as any recommendations or observations made by the external auditor. To aid our review we considered reports prepared by external service providers, including Amedeo and Nimrod, and reports from the external auditor on the outcome of their annual audit. The significant issues considered by the Committee in relation to the 2014 accounts and how these were addressed are detailed below:

Significant issues for 2013	How the Committee addressed these significant issues
Residual value of aircraft assets The non-current assets of the Company comprise of four Airbus A380 aircraft ("the Assets"). An annual review is required of the residual value of the Assets as per IAS 16 <i>Property, Plant and Equipment</i> , which defines residual value as " <i>the estimated amount that an entity would currently obtain from disposal of the asset, after</i>	 The Company has engaged three internationally recognised expert appraisers to provide the Company with third party consultancy valuation services. All appraisers have used similar methodologies to derive their opinions on the current market values and future values. In the absence of used sales data for the Assets, appraisers are heavily reliant on databases containing historical data points of aircraft sales relating to large commercial aircraft. Interpretation of historical

Doric Nimrod Air Three Limited

AUDIT COMMITTEE REPORT (continued)

<p><i>deducting the estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.”</i> The Company’s estimation technique is to make reference to the current forecast market value, not an estimate of the amount that would currently be achieved, and so this is not a direct application of the IAS 16 definition. This approach has been taken because a current market value in today’s prices for a twelve year old A380 does not exist at the reporting date.</p>	<p>data is the basis for the current market value and provides, together with the expected developments in the future, the foundation for their opinions on future values. Furthermore, the appraisers’ valuations take into account specific technical and economic developments as well as general future trends in the aviation industry and the macro-economic outlook. Compared to the previous financial period, the view expressed by the appraisers on the market for Airbus A380 aircraft and their value retention during the future years has not materially changed.</p> <p>The Committee has also received reports from Amedeo. Amedeo has confirmed it has no reason to question the methodology used to determine the residual value and that they do not believe the appraisals show there has been a fundamental movement in the anticipated residual values of the planes since they were acquired. Thus Amedeo has advised that the estimate of residual value does not need to be changed for the Period.</p> <p>Upon review of the advice they have received from Amedeo and the appraisers, the Committee is of the opinion that, the current estimate of the residual valuation of the Assets is a reasonable approximation of the residual value within the IAS 16 definition given a comparable asset is not available.</p>
<p>Recording foreign exchange gains/losses</p> <p>International Financial Reporting Standards require that transactions denominated in US Dollars (including, most importantly, the cost of the Assets) are translated into Sterling at the exchange rate ruling at the date of the transaction whilst monetary items (principally the outstanding borrowings) are translated at the rate prevailing on the reporting date. The resultant figures sometimes show very large mismatches which are reported as unrealised foreign exchange differences.</p> <p>During the Period the Company has recorded significant foreign exchange rate gains due to the appreciation of Sterling against US Dollars and the consequent reduction in the Sterling value of the US Dollar denominated debt.</p>	<p>In assessing foreign exchange, the Committee has considered the issue at great length and are of the opinion that, on an on-going basis and assuming the lease and loan payments are made as anticipated, such exchange differences do not reflect the commercial substance of the situation in the sense that the key transactions denominated in US Dollars are in fact closely matched. Rental income received in US Dollars is used to pay loan repayments due which are likewise denominated in US Dollars. US Dollar lease rentals and loan repayments are furthermore fixed at the outset of the Company’s life and are very similar in amount and timing.</p> <p>The Committee concluded that the matching of the lease rentals to settle loan repayments therefore mitigates risks by foreign exchange fluctuations.</p> <p>The Committee has carefully considered the disclosure in Note 17 (b) to the financial statements to ensure that the reality of the Company’s foreign exchange risk exposure is properly explained.</p>

Doric Nimrod Air Three Limited

AUDIT COMMITTEE REPORT (continued)

Risk of default by Emirates on lease rentals receivable Emirates are the sole lessee of the Assets. Should Emirates default on the rental payments, it is unlikely the Company will be able to meet its targeted dividends or, in the case of ongoing default, continue as a going concern.	 The Committee received quarterly reports from Amedeo which comment on the performance of Emirates. Amedeo have advised that Emirates has continued to perform well, flying more passengers than ever before. Passenger load factors remain high and the airline has ordered more wide bodied planes (including a further 50 A380's) to cope with its forecast increasing demand. The Committee concluded that it would continue to receive quarterly reports from Amedeo on the performance of Emirates and would continue to monitor Emirate's overall performance. The Committee has carefully considered the disclosure in Note 17 (c) to the financial statements to ensure that this concentration of credit risk is properly reflected.
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GOING CONCERN

After making enquiries, the Committee has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Committee believe the Company is well placed to manage its business risks successfully as the interest on the Company's loan has been fixed and the fixed rental income under the operating lease means that the rents should be sufficient to repay the loan and provide surplus income to pay for the Company's expenses and permit payment of dividends. Accordingly, the Committee has adopted the going concern basis in preparing the financial information.

INTERNAL CONTROL

In November 2013 the Company's appointed Administrator, Anson Fund Managers Limited, was acquired by JTC Group Limited and the Administrator changed its name to JTC Fund Managers (Guernsey) Limited. The Committee has made due enquiry of the purchaser about the implications of this acquisition on the systems and controls affecting the administration of the Company's affairs. We were informed that, for the foreseeable future, the same staff, systems and controls will be used in the continuing administration of the Company's affairs.

Doric Nimrod Air Three Limited

AUDIT COMMITTEE REPORT (continued)

INTERNAL AUDIT

The Company has no employees and operates no systems of its own, relying instead on the employees and systems of its external service providers. The Board has therefore taken the decision that it would be of insufficient benefit for the Company to engage an internal auditor.

EXTERNAL AUDIT

The effectiveness of the external audit process is dependent on appropriate audit risk identification at the start of the audit cycle. We receive from Deloitte a detailed audit plan, identifying their assessment of the key risks. For the Period the primary risks identified were in respect of valuation and ownership of the aircraft; the recording of lease rental income; and accounting for fixed rate debt using the effective interest rate method.

Using our collective skills we assess the effectiveness of the audit process in addressing the matters raised through the reporting we receive from Deloitte at the year-end. In particular we formally appraise Deloitte against the following criteria:

- Independence
- Ethics and Conflicts
- Knowledge and Experience
- Challenge
- Promptness
- Cost
- Overall quality of service

In addition we also seek feedback from the Administrator on the effectiveness of the audit process.

For the Period, we were satisfied that there had been appropriate focus on the primary areas of audit risk and assessed the quality of the audit process to be good. The Committee discussed their findings with Deloitte and agreed how future external audits could be improved.

We hold meetings with the external auditor to provide additional opportunity for open dialogue and feedback from the Auditor. If felt necessary we meet with the external auditor without the Administrator being present. Matters typically discussed include

Doric Nimrod Air Three Limited

AUDIT COMMITTEE REPORT (continued)

the Auditor's assessment of business risks and management activity thereon, the transparency and openness of interactions with the Administrator, confirmation that there has been no restriction in scope placed on them by the Administrator on the independence of their audit and how they have exercised professional scepticism.

APPOINTMENT AND INDEPENDENCE

We consider the reappointment of the external auditor, including the rotation of the audit partner, each year and also assess their independence on an ongoing basis.

The EU and Competition Commission have issued draft proposals in respect of audit tendering and mandatory rotation of auditors that are yet to be finalised. The Committee will continue to monitor developments around these proposals and will formulate a policy in respect to audit tendering and rotation at the appropriate time.

The external auditor is required to rotate the audit partner responsible for the audit every five years. The current lead audit partner has been in place since June 2013.

Deloitte has been the Company's external auditor since June 2013. We have provided the Board with its recommendation to the shareholders on the reappointment of Deloitte as external auditor for the year ending 31 March 2015. Accordingly a resolution proposing the reappointment of Deloitte as our auditor will be put to the shareholders at the 2014 Annual General Meeting. However, we keep this matter under review.

There are no contractual obligations restricting our choice of external auditor. We continue to consider the audit tendering provisions outlined in the revised UK Corporate Governance Code, of which we are very supportive.

NON-AUDIT SERVICES

To further safeguard the objectivity and independence of the external auditor from becoming compromised, we have a formal policy governing the engagement of the external auditor to provide non-audit services. No changes have been made to this policy during the year. This policy specifies that Deloitte should only be engaged for non-audit services where there is considered to be a very low threat to auditor independence.

Doric Nimrod Air Three Limited

AUDIT COMMITTEE REPORT (continued)

Deloitte is prohibited from providing all other services without our prior approval. In reaching such a determination we will take into consideration whether it is in the best interests of the Company that such services should be supplied by the Company's external auditor (rather than another service provider) and, if so whether any safeguards regarding auditor objectivity and independence in the conduct of the audit should be put in place, whether these would be effective and how such safeguards should be disclosed.

COMMITTEE EVALUATION

Our activities formed part of the review of Board effectiveness performed in 2013.

An internal evaluation of our effectiveness was carried out in November 2013.

Yours faithfully

Norbert Bannon

Chairman of Audit Committee

Doric Nimrod Air Three Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DORIC NIMROD AIR THREE LIMITED (continued)

Opinion on financial statements of Doric Nimrod Air Three Limited

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

The financial statements comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

Going concern

We have reviewed the directors' statement on page 22 that the group is a going concern. We confirm that:

- we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified any material uncertainties that may cast significant doubt on the group's ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team:

Risk	How the scope of our audit responded to the risk
Measurement of aircraft assets The group's accounting policy is to measure its aircraft assets at depreciated historic cost less impairment. The assets are being depreciated on a straight-line basis over the terms of the leases to an estimated residual value at the end of that period. The estimation of residual value is a key source of judgment in preparing the financial statements.	We have challenged management's estimates of aircraft residual values by inspecting relevant supporting evidence including forecast valuations obtained by the group from expert aircraft valuers and the terms of the aircraft lease agreements. We have considered the qualifications and experience of the valuers engaged by management. We have also considered the adequacy of the disclosure related to this estimation uncertainty set out on page 53.
Revenue recognition The group's leases of its aircraft have been classified as operating leases and as such rental income should be recognised on a straight-line basis over the lease term, which differs from the profile of actual rental	We have considered whether the classification of the leases as operating leases is appropriate with reference to the lease terms and the nature of the assets.

Doric Nimrod Air Three Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DORIC NIMROD AIR THREE LIMITED (continued)

payments. In addition, the majority of lease rentals are receivable in US Dollars and must be appropriately translated into the Sterling functional and presentation currency. The risk is that the selected residual value is not appropriate or is not properly applied in calculating depreciation.	We have developed independent expectations of lease income balances for the year based on total lease rentals receivable, the lease term and foreign exchange rates during the year. We have also recalculated deferred rental recognised as a liability in the Statement of Financial Position.
Accounting for fixed rate debt The group has obtained fixed interest rate debt to part-finance the acquisition of its aircraft assets. The debt instruments are amortised by regular repayments over their term and are carried at amortised cost with interest expense recognised at the effective interest rate. The risk exists that the effective interest rates have not been accurately calculated or applied. The risk is that revenue is not properly recorded in accordance with these requirements.	We reviewed the debt amortisation schedules prepared by management to calculate the effective interest rates on the loans and checked their consistency with the repayment schedules and if any arrangement costs had been appropriately incorporated. We developed expectations of the interest charges for the period using the average outstanding principal balances during the period, the effective interest rates and foreign exchange rates during the year.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the group to be £4.3 million, which is approximately 2% of total shareholder's equity.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £103,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

The consolidated financial statements of the group incorporate its special purpose subsidiary through which aircraft are held and through which debt finance has been obtained. Whilst a statutory audit of the financial statements of this subsidiary is not required, it is included within the scope of our audit of the consolidated financial

Doric Nimrod Air Three Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DORIC NIMROD AIR THREE LIMITED (continued)

statements conducted using the group materiality set out above. Audit work on each entity within the group was performed by the same audit team.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the parent company; or
- the financial statements are not in agreement with the accounting records.

We have nothing to report in respect of these matters.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and/or those further matters we have expressly agreed to report to them on in our engagement letter and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Doric Nimrod Air Three Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DORIC NIMROD AIR THREE LIMITED (continued)

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

John Clacy FCA
for and on behalf of Deloitte LLP
Chartered Accountants and Recognised Auditor
St Peter Port, Guernsey

30 July 2014

Doric Nimrod Air Three Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2014

	Notes	Year ended 31 Mar 2014 GBP	29 Mar 2012 to 31 Mar 2013 GBP
Income			
A rent income	4	19,074,287	-
B rent income	4	8,782,885	-
Bank interest received		125,790	-
		<hr/>	
		27,982,962	-
Expenses			
Operating expenses	5	(936,552)	-
Depreciation of Aircraft	9	(9,828,040)	-
		<hr/>	
		(10,764,592)	-
 Net profit for the period before finance costs and foreign exchange gains			
		<hr/>	
		17,218,370	-
Finance costs			
Finance costs	10	(10,021,822)	-
 Unrealised foreign exchange gain			
	17b	<hr/>	
		1,438,141	-
 Profit for the period			
		<hr/>	
		8,634,689	-
 Other Comprehensive Income			
		<hr/>	
		-	-
 Total Comprehensive Income for the period			
		<hr/>	
		8,634,689	-
 Earnings per Share for the period - Basic and Diluted			
	8	<hr/>	
		Pence 5.01	Pence 0.00

The notes on pages 49 to 69 form an integral part of these financial statements

Doric Nimrod Air Three Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2014

	Notes	31 Mar 2014 GBP	31 Mar 2013 GBP
NON-CURRENT ASSETS			
Aircraft	9	608,222,876	-
		<u>608,222,876</u>	<u>-</u>
CURRENT ASSETS			
Cash and cash equivalents		9,515,422	-
Receivables	12	60,211	40
		<u>9,575,633</u>	<u>40</u>
TOTAL ASSETS		<u>617,798,508</u>	<u>40</u>
CURRENT LIABILITIES			
Borrowings	14	38,334,232	-
Deferred income		3,050,854	-
Payables - due within one year	13	147,074	-
		<u>41,532,160</u>	<u>-</u>
NON-CURRENT LIABILITIES			
Borrowings	14	336,967,927	-
Deferred income		25,867,899	-
		<u>362,835,826</u>	<u>-</u>
TOTAL LIABILITIES		<u>404,367,986</u>	<u>-</u>
TOTAL NET ASSETS		<u>213,430,522</u>	<u>40</u>
EQUITY			
Share premium	15	208,953,833	40
Revenue reserve		4,476,689	-
		<u>213,430,522</u>	<u>40</u>
		Pence	Pence
Net Asset Value Share		<u>97.01</u>	<u>0.00</u>

The Financial Statements were approved by the Board of Directors and authorised for issue on 2014 and are signed on its behalf by:

Director

The notes on pages 49 to 69 form an integral part of these financial statements

Doric Nimrod Air Three Limited

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 March 2014

	Year ended 31 Mar 2014 GBP	Period ended 31 Mar 2013 GBP
OPERATING ACTIVITIES		
Profit for the period	8,634,689	-
Movement in deferred income	(12,297,463)	-
Interest received	(125,790)	-
Depreciation of Aircraft	9,828,040	-
Loan interest payable	9,639,987	-
Increase in payables	147,074	-
Increase in receivables	(60,171)	(40)
Foreign exchange movement	(1,438,141)	-
Amortisation of debt arrangement costs	381,835	-
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	14,710,060	(40)
INVESTING ACTIVITIES		
Purchase of Aircraft	(618,050,915)	-
Interest received	125,790	-
NET CASH FLOW USED IN INVESTING ACTIVITIES	(617,925,125))	-
FINANCING ACTIVITIES		
Advance rental received	41,216,216	-
Dividends paid	(4,158,000)	-
Repayments on borrowings	(8,232,873)	-
Proceeds on issue of Shares	211,000,000	40
Share issue costs	(2,046,207)	-
New debt raised	425,675,676	-
Costs associated with debt issued	(4,648,053))	-
NET CASH FLOW FROM FINANCING ACTIVITIES	658,806,759	40
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	-	-
Increase in cash and cash equivalents	55,591,693	-
Exchange rate adjustment	(46,076,271)	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	9,515,422	-

The notes on pages 49 to 69 form an integral part of these financial statements

Doric Nimrod Air Three Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2014

Notes	Share Capital GBP	Revenue Reserve GBP	Total GBP
Balance as at 1 April 2013	40	-	40
			-
Total Comprehensive Income for the period	-	8,634,689	8,634,689
Share issue proceeds	211,000,000	-	211,000,000
Share issue costs	(2,046,207)	-	(2,046,207)
Dividends paid	-	(4,158,000)	(4,158,000)
Balance as at 31 March 2014	208,953,833	4,476,689	213,430,522

Notes	Share Capital GBP	Revenue Reserve GBP	Total GBP
Balance as at 29 March 2012	-	-	-
			-
Total Comprehensive Income for the period	-	-	-
Share issue proceeds	40	-	40
Share issue costs	-	-	-
Dividends paid	-	-	-
Balance as at 31 March 2013	40	-	40

The notes on pages 49 to 69 form an integral part of these financial statements

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2014

1 GENERAL INFORMATION

The consolidated financial statements incorporate the results of Doric Nimrod Air Three Limited (the "Company") and DNA Alpha Limited (the "Subsidiary") (together known as the "Group").

The Company was incorporated in Guernsey on 29 March 2012 with registered number 54908. Its share capital consists of one class of Ordinary Preference Shares ("Ordinary Shares") and one class of Subordinated Administrative Shares ("Admin Shares"). The Company's Ordinary Shares have been admitted to trading on the Specialist Fund Market ("SFM") of the London Stock Exchange and are listed on the official list of the Channel Islands Securities Exchange ("CISE").

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

2 ACCOUNTING POLICIES

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

(a) Basis of Preparation

The consolidated financial statements have been prepared in conformity with IFRS as adopted by the European Union, 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.

Changes in accounting policy and disclosure

The following Standards or Interpretations have been adopted in the current year. Their adoption has not been any impact on the amounts reported in these financial statements and is not expected to have any impact on future financial periods:

IFRS 7 Financial Instruments: Disclosure - amendments relating to the offsetting of assets and liabilities 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 resulting from Annual Improvements effective for annual periods beginning on or after 1 January 2013.

IAS 16 Property Plant & Equipment - amendments resulting from Annual Improvements effective for annual periods beginning on or after 1 January 2013.

IAS 28 Investments in Associates and Joint Ventures - amendment effective for annual periods beginning on or after 1 January 2013.

IAS 32 Financial Instruments: Presentation - annual improvements effective for annual periods beginning on or after 1 January 2013.

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

2 ACCOUNTING POLICIES (continued)

(a) Basis of Preparation (continued)

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

IFRS 7 Financial Instruments - Disclosures - amendments requiring disclosures about the initial application of IFRS9 effective for annual periods beginning on or after 1 January 2015 (or otherwise when IFRS 9 is first applied).

IFRS 9 Financial Instruments - accounting for financial liabilities and derecognition effective for annual periods beginning on or after 1 January 2015.

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interest in Other Entities – effective for annual periods beginning on or after 1 January 2014.

IAS 16 Property Plant & Equipment - amendments resulting from Annual Improvements effective for annual periods beginning on or after 1 July 2014.

IAS 24 Related Party Disclosure - amendments resulting from Annual Improvements effective for annual period beginning on or after 1 July 2014

IAS 36 Impairment of Assets - amendments arising from Recoverable Amount Disclosures for Non-Financial Assets effective from annual periods beginning on or after 1 January 2014.

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 Group'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.

(b) Basis of consolidation

The consolidated financial statements incorporate the results of the Company and its Subsidiaries. The Company owns 100% of all the shares in the Subsidiaries, and has the power to govern the financial and operating policies of the Subsidiaries so as to obtain benefits from their activities.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(c) Taxation

The Company and its Subsidiaries have been assessed for tax at the Guernsey standard rate of 0%.

(d) Share capital

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

(e) Expenses

All expenses are accounted for on an accruals basis.

(f) Interest Income

Interest income is accounted for on an accruals basis.

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

2 ACCOUNTING POLICIES (continued)

(g) Foreign currency translation

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 Consolidated Statement of Comprehensive Income.

(h) 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 with a term of no more than three months from the start of the deposit and highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

(i) Segmental reporting

The Directors are of the opinion that the Group is engaged in a single segment of business, being acquiring, leasing and selling various Airbus A380-861 aircraft (together the "Assets" and each an "Asset").

(j) Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors believe the Group is well placed to manage its business risks successfully despite the current economic climate as the loans and Equipment Notes interest has been fixed and the fixed rental income under the operating leases means that the rents should be sufficient to repay the debt and provide surplus income to pay for the Group's expenses and permit payment of dividends. Accordingly, the Directors have adopted the going concern basis in preparing the consolidated financial statements. The Board is not aware of any material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

(k) Leasing and rental income

The leases relating to the Assets have been classified as operating leases as the terms of the leases do not transfer substantially all the risks and rewards of ownership to the lessee. The Assets are shown as non-current assets in the Statement of Financial Position. Further details of the leases are given in Note 11.

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

(l) Property, plant and equipment - Aircraft

In line with IAS 16 Property Plant and Equipment, the Assets are initially recorded at the fair value of the consideration paid. The cost of the asset is made up of the purchase price of the Assets plus any costs directly attributable to bringing it into working condition for its intended use. Costs incurred by the lessee in maintaining, repairing or enhancing the aircraft are not recognised as they do not form part of the cost to the Company. Accumulated depreciation and any recognised impairment losses are deducted from cost to calculate the carrying amount of the Assets.

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

2 ACCOUNTING POLICIES (continued)

(l) Property, plant and equipment - Aircraft (continued)

Depreciation is recognised so as to write off the cost of each Asset less the estimated residual value of £87.034 million over the estimated useful life of the Asset of 12 years, using the straight line method. 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 and for the purposes of the financial statements represents the likely period of the Group's ownership of these assets. Depreciation starts when the asset is available for use.

At each balance sheet date, the Group reviews the carrying amounts of its Aircraft to determine whether there is any indication that those Assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the Asset is estimated to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the Asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an Asset is estimated to be less than its carrying amount, the carrying amount of the Asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the Asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(m) Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. 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 liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

(n) Net asset value

In circumstances where the Directors, as advised by the Asset Manager, are of the opinion that the net asset value ("NAV") or NAV per Share, as calculated under prevailing accounting standards, is not appropriate or could give rise to a misleading calculation, the Directors, in consultation with the Administrator, the Asset Manager and the Auditors may determine, at their discretion, an alternative method for calculating the value of the Company and shares in the capital of the Company, which they consider more accurately reflects the value of the Company.

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

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 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 the revision affects both current and future periods.

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.

KEY SOURCES OF ESTIMATION UNCERTAINTY

Residual value and useful life of Aircraft

As described in note 2 (I), the Group depreciates the Assets on a straight line basis over the estimated useful life of the Assets after taking into consideration the estimated residual value. IAS 16 Property, Plant and Equipment requires residual value to be determined as an estimate of the amount that would be obtained from disposal today if the Asset were of the age and condition expected at the end of its useful life. However, there are currently no aircraft of a similar type of sufficient age for the Directors to make a direct market comparison in making this estimation. After consulting with the Asset Manager, the Directors have concluded that a forecast market value for the aircraft at the end of its useful life (including inflationary effects) best approximates residual value. In estimating residual value, the directors have made reference to forecast market values for the aircraft obtained from 3 expert aircraft valuers. The estimation of residual value remains subject to inherent uncertainty. If the estimate of residual value had been decreased by 20% with effect from the beginning of this year, the net profit for the year and closing shareholders' equity would have been decreased by approximately £2.5 million. An increase in residual value by 20% would have had an equal but opposite effect. This reflects the range of estimates of residual value that the Directors believe would be reasonable at this time. The useful life of each Asset is estimated based on the expected period for which the Group will own and lease the aircraft.

CRITICAL ACCOUNTING JUDGEMENTS

Operating lease commitments - Group as lessor

The Group has entered into operating leases on four (2013: one) Assets. The Group 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 these Assets and accounts for the contracts as operating leases.

The Group has determined that the operating leases on the Assets are for 12 years based on an initial term of 10 years followed by an extension term of 2 years. Should the lessee choose to exit a lease at the end of the initial term of 10 years a penalty equal to the remaining 2 years would be due.

Impairment

As described in note 2 (I), 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 Assets for any indications of impairment as required by IAS 16 Property, Plant and Equipment and IAS 36 Impairment of Assets.

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

4 RENTAL INCOME

	Year ended 31 Mar 2014 GBP	Period ended 31 Mar 2013 GBP
A rent income	5,332,900	-
Revenue received but not yet earned	(2,073,017)	-
Revenue earned but not received	11,430,645	-
Amortisation of advance rental income	4,383,759	-
	<hr/> 19,074,287	<hr/> -
B rent income	10,226,808	-
Revenue received but not received	(1,443,923)	-
	<hr/> 8,782,885	<hr/> -
Total rental income	<hr/> 27,857,172	<hr/> -

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

4 RENTAL INCOME (continued)

Rental income is derived from the leasing of the Assets. 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 (GBP) at the date of the transaction.

A and B income receivable will decrease / increase respectively, 10 years from the start of each lease. An adjustment has been made to spread the actual total income receivable over the term of the lease on an annual basis. In addition, advance rentals received have also been spread over the full term of the leases.

5 OPERATING EXPENSES

	Year ended 31 Mar 2014 GBP	Period ended 31 Mar2013 GBP
Management fee	302,226	-
Asset management fee	284,001	-
Administration fees	64,139	-
Bank interest & charges	1,291	-
Accountancy fees	14,383	-
Registrars fee	22,563	-
Audit fee	32,000	-
Directors' remuneration	67,985	-
Directors' and Officers' insurance	49,289	-
Legal & professional expenses	5,112	-
Annual fees	5,671	-
Travel expenses	69,734	-
Sundry costs	10,892	-
Other operating expenses	7,266	-
	<hr/>	<hr/>
	936,552	-

6 DIRECTORS' REMUNERATION

Under their terms of appointment, each Director is paid a fee of £23,000 per annum by the Company, except for the Chairman, who receives £29,000 per annum. The Chairman of the audit committee also receives an extra £4,000 per annum.

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

7 DIVIDENDS IN RESPECT OF EQUITY SHARES

Dividends in respect of Ordinary Shares

	Year ended 31 Mar 2014	
	GBP	Pence per share
First interim dividend	377,300	0.17
Second interim dividend	3,780,700	1.72
	<hr/>	<hr/>
	4,158,000	1.89

No dividends were paid in the period ended 31 March 2013

8 EARNINGS PER SHARE

Earnings per Share ('EPS') is based on the net gain for the period of £8,634,689 (31 March 2013 £Nil) and 172,519,452 (31 March 2013: 2,915,804) Ordinary Shares being weighted average number of Shares in issue during the period.

There are no dilutive instruments and therefore basic diluted earning per Share are identical.

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

9 PROPERTY, PLANT AND EQUIPMENT - AIRCRAFT

	MSN132	MSN133	MSN134	MSN136	Associated Costs	TOTAL
	GBP	GBP	GBP	GBP	GBP	GBP
COST						
As at 1 Apr 2013	-	-	-	-	-	-
Additions	<u>158,023,736</u>	<u>150,426,721</u>	<u>152,495,955</u>	<u>152,676,513</u>	<u>4,427,990</u>	<u>618,050,915</u>
As at 31 Mar 2014	<u>158,023,736</u>	<u>150,426,721</u>	<u>152,495,955</u>	<u>152,676,513</u>	<u>4,427,990</u>	<u>618,050,915</u>
ACCUMULATED DEPRECIATION						
As at 1 Apr 2013	-	-	-	-	-	-
Charge for the year	<u>3,340,425</u>	<u>1,842,521</u>	<u>2,063,690</u>	<u>2,307,434</u>	<u>273,969</u>	<u>9,828,039</u>
As at 31 Mar 2014	<u>3,340,425</u>	<u>1,842,521</u>	<u>2,063,690</u>	<u>2,307,434</u>	<u>273,969</u>	<u>9,828,039</u>
CARRYING AMOUNT						
As at 31 Mar 2014	<u>154,683,311</u>	<u>148,584,200</u>	<u>150,432,265</u>	<u>150,369,079</u>	<u>4,154,021</u>	<u>608,222,876</u>
As at 31 Mar 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group can sell the Assets during the term of the leases (with the lease attached and in accordance with the terms of the transfer provisions contained therein).

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

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

10 FINANCE COSTS

	31 Mar 2014 GBP	31 Mar 2013 GBP
Amortisation of debt arrangement costs	381,835	-
Interest payable	<u>9,639,987</u>	<u>-</u>
	<u>10,021,822</u>	<u>-</u>

11 OPERATING LEASES

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

31 March 2014	Next 12 months GBP	2 to 5 years GBP	After 5 years GBP	Total GBP
Aircraft - A rental receipts	59,176,421	233,074,382	185,438,336	477,689,139
Aircraft - B rental receipts	<u>20,472,384</u>	<u>81,889,536</u>	<u>133,079,880</u>	<u>235,441,800</u>
	<u>79,648,805</u>	<u>314,963,918</u>	<u>318,518,216</u>	<u>713,130,939</u>
31 March 2013	Next 12 months GBP	2 to 5 years GBP	After 5 years GBP	Total GBP
Aircraft - A rental receipts	-	-	-	-
Aircraft - B rental receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

11 OPERATING LEASES (continued)

The Operating leases are for Airbus A380-861 Aircraft. The terms of the lease are as follows;

MSN132 Limited - term of the lease is for 12 years ending August 2025. The initial lease is for 10 years ending August 2023, with an extension period of 2 years ending August 2025, in which rental payments reduce. The present value of the remaining rentals in the extension period at the end of the initial 10 year lease term must be paid even if the option is not taken.

MSN133 Limited - term of the lease is for 12 years ending November 2025. The initial lease is for 10 years ending November 2023, with an extension period of 2 years ending November 2025, in which rental payments reduce. The present value of the remaining rentals in the extension period at the end of the initial 10 year lease term must be paid even if the option is not taken.

MSN134 Limited - term of the lease is for 12 years ending November 2025. The initial lease is for 10 years ending November 2023, with an extension period of 2 years ending November 2025, in which rental payments reduce. The present value of the remaining rentals in the extension period at the end of the initial 10 year lease term must be paid even if the option is not taken.

MSN136 Limited - term of the lease is for 12 years ending October 2025. The initial lease is for 10 years ending October 2023, with an extension period of 2 years ending October 2025, in which rental payments reduce. The present value of the remaining rentals in the extension period at the end of the initial 10 year lease term must be paid even if the option is not taken.

At the end of each lease the lessee has the right to exercise an option to purchase the Asset if the Company chooses to sell the Asset. If a purchase option event occurs the Company and the lessee will be required to arrange for a current market value appraisal of the Asset to be carried out by three independent appraisers. The purchase price will be equal to the average valuation of those three appraisals.

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

12 RECEIVABLES

	31 Mar 2014 GBP	31 Mar 2013 GBP
Prepayments	60,172	-
Sundry debtors	39	40
	<u>60,211</u>	<u>40</u>

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

13 PAYABLES (amounts falling due within one year)

	31 Mar 2014 GBP	31 Mar 2013 GBP
Accrued administration fees	10,867	-
Accrued audit fee	27,000	-
Accrued management fee	102,500	-
Other accrued expenses	6,707	-
	<u>147,074</u>	<u>-</u>

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

14 BORROWINGS

	31 Mar 2014 GBP	31 Mar 2013 GBP
Equipment Notes	379,568,377	-
Associated costs	(4,266,218)	-
	<u>375,302,159</u>	<u>-</u>
Amount due for settlement within 12 months	<u>38,334,232</u>	<u>-</u>
Amount due for settlement after 12 months	<u>336,967,927</u>	<u>-</u>

In order to finance the acquisition of the Assets, Doric Nimrod Air Alpha Limited "DNAA" used the proceeds of the August 2013 offering of Pass Through Certificates ("the Certificates"). The Certificates have an aggregate face amount of approximately \$630 million, made up of "Class A" certificates and "Class B" certificates. The Class A certificates in aggregate have a face amount of \$462 million with an interest rate of 5.250% and a final expected distribution date of 30 May 2023. The Class B certificates in aggregate have a face amount of \$168 million with an interest rate of 6.125% and a final expected distribution date of 30 November 2019. There is a separate trust for each class of Certificate. The trusts will use the funds from the Certificates to acquire equipment notes. The equipment notes will be issued to Wilmington Trust, National Association as pass through trustee in exchange for the consideration paid by the purchasers of the Certificates. The equipment notes were issued by the Subsidiary and the proceeds from the sale of the equipment notes financed a portion of the purchase price of the four airbus A380-861 aircraft, with the remaining portion being financed through contribution from the Company of the Share issue proceeds. The holders of the equipment notes issued for each aircraft will have the benefit of a security interest in such aircraft.

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

15 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 Shares or Administrative Shares.

Issued

	Administrative Shares	Ordinary Shares
Shares issued at incorporation	-	2,900,000
Shares issued 28 March 2013	-	2,900,000
Shares consolidation 12 June 2013	-	(5,600,000)
Share sub division 12 June 2013	-	8,800,000
Share issued 20 June 2013	2	-
Shares issued at Placing 20 June 2013	-	211,000,000
	<hr/>	<hr/>
Issued share capital as at 31 Mar 2014	2	220,000,000

Issued

	Administrative Shares GBP	Ordinary Shares GBP	Total GBP
Shares issued at incorporation	-	20	20
Shares issued 28 March 2013	-	20	20
Share issued 20 June 2013	2	-	2
Shares issued at Placing 20 June 2013	-	211,000,000	211,000,000
Share issue costs	-	(2,046,207)	(2,046,207)
	<hr/>	<hr/>	<hr/>
Total share capital as at 31 Mar 2014	2	208,953,833	208,953,835

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

15 SHARE CAPITAL (continued)

Members holding Ordinary Shares are entitled to receive, and participate in, any dividends out of income attributable to the Ordinary Shares; 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, Ordinary Shareholders are entitled to the surplus assets attributable to the Ordinary Shares class 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 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 Shares have received a return of their capital paid up but ahead of the return of all additional capital to the holders of Ordinary 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 Shares in existence.

16 FINANCIAL INSTRUMENTS

The Group's main financial instruments comprise:

- (a) Cash and cash equivalents that arise directly from the Group's operations; and
- (b) Debt secured on non current assets.

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

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

	31 Mar 2014 GBP	31 Mar 2013 GBP
Financial assets		
Cash and cash equivalents	9,515,422	-
Receivables	<u>39</u>	<u>40</u>
Loans and receivable at amortised cost	<u>9,515,461</u>	<u>40</u>
Financial liabilities		
Payables	147,074	-
Debt payable	<u>379,568,377</u>	<u>-</u>
Financial liabilities measured at amortised cost	<u>379,715,451</u>	<u>-</u>

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The main risks arising from the Group'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 below:

(a) Capital management

The Group manages its capital to ensure that the Group 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 Group consists of debt, which includes the borrowings disclosed in note 14, cash and cash equivalents and equity attributable to equity holders, comprising issued capital and retained earnings.

The Group'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 Group's accounting policy under IFRS requires the use of a Sterling historic cost of the Assets and the value of the USD debt as translated at the spot exchange rate on every balance sheet date. In addition USD operating lease receivables are not immediately recognised in the balance sheet and are accrued over the period of the leases. The Directors consider that this introduces an artificial variance due to the movement over time of foreign exchange rates. In actuality, the USD operating lease should offset the USD payables on amortising debt. The foreign exchange exposure in relation to the equipment notes is thus largely hedged.

Lease rentals (as detailed in Notes 4 and 11) are received in USD and GBP. Those lease rentals received in USD are used to pay the equipment notes repayments due, also in USD (as detailed in Note 14). Both USD lease rentals and equipment notes repayments are fixed and are for similar sums and similar timings. The matching of lease rentals to settle equipment notes repayments therefore mitigates risks caused by foreign exchange fluctuations.

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

	31 Mar 2014 GBP	31 Mar 2013 GBP
Debt (USD) - Liabilities	(379,568,377)	-
Cash and cash equivalents (USD) - Asset	<u>2,785,626</u>	<u>-</u>

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Foreign currency risk (continued)

The following table details the Group's sensitivity to a 15 per cent appreciation and depreciation in GBP 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 GBP strengthens 15 per cent against USD. For a 15 per cent weakening of the GBP against USD, there would be a comparable but opposite impact on the profit and other equity:

	31 Mar 2014	31 Mar 2013
Profit or loss	49,145,576	-
Assets	(363,343)	-
Liabilities	<u>49,508,919</u>	<u>-</u>

On eventual sale of the Assets, the Company may be subject to foreign currency risk if the sale was made in a currency other than GBP. Transactions in similar assets are typically priced in USD.

(c) Credit Risk

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

The credit risk on cash transactions 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 Group's financial assets exposed to credit risk are as follows:

	31 Mar 2014 GBP	31 Mar 2013 GBP
Receivables	39	40
Cash and cash equivalents	9,515,422	-
	<u>9,515,461</u>	<u>40</u>

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit Risk (continued)

Surplus cash in the Company is held with RBSI. Surplus cash in the Subsidiary is held in accounts with RBSI and Bank of China.

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 agreements between the lessee and the Group, 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 Assets to another party.

At the inception of each lease, the Company selected a lessee with a strong balance sheet and financial outlook. The financial strength of Emirates is regularly reviewed by the Board and the Asset Manager.

(d) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in realising assets or otherwise raising funds to meet financial commitments. The Group's main financial commitments are its ongoing operating expenses and payments on equipment notes.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which established an appropriate liquidity management framework at the incorporation of the Group, through the timings of lease rentals and debt repayments. The Group 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. The amounts below are contractual undiscounted cashflows, including both the principal and interest payments, and will not agree directly to the amounts recognised in the statement of financial position:

31 Mar 2014	1-3 months GBP	3-12 months GBP	1-2 years GBP	2-5 years GBP	over 5 years GBP
Financial liabilities					
Payables - due within one year	147,074	-	-	-	-
Equipment notes	<u>29,626,725</u>	<u>29,542,187</u>	<u>58,822,728</u>	<u>174,221,611</u>	<u>185,400,797</u>
	<u>29,773,799</u>	<u>29,542,187</u>	<u>58,822,728</u>	<u>174,221,611</u>	<u>185,400,797</u>
 31 Mar 2013	 1-3 months GBP	 3-12 months GBP	 1-2 years GBP	 2-5 years GBP	 over 5 years GBP
Financial liabilities					
Payables - due within one year	-	-	-	-	-
Equipment notes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

17 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 Group.

The Group mitigates interest rate risk by fixing the interest rate on the equipment notes debt and the lease rentals.

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

	Less than 1 month GBP	Fixed interest GBP	Non-interest Bearing GBP	Total GBP
Financial Assets				
Receivables	-	-	60,211	60,211
Cash and cash equivalents	9,515,422	-	-	9,515,422
Total Financial Assets	9,515,422	-	60,211	9,575,633
Financial Liabilities				
Accrued expenses	-	-	147,074	147,074
Equipment notes	-	375,302,159	-	375,302,159
Total Financial Liabilities	-	375,302,159	147,074	375,449,233
Total interest sensitivity gap	9,515,422	375,302,159		

If interest rates had been 50 basis points higher throughout the period and all other variables were held constant, the Group's net assets attributable to shareholders as at 31 March 2014 would have been £47,577 greater (31 March 2013: £Nil) due to an increase in the amount of interest receivable on the bank balances.

If interest rates had been 50 basis points lower throughout the period and all other variables were held constant, the Group's net assets attributable to shareholders as at 31 March 2014 would have been £47,577 lower (31 March 2013: £Nil) due to an increase in the amount of interest receivable on the bank balances.

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

18 ULTIMATE CONTROLLING PARTY

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

19 SUBSEQUENT EVENTS

On 1 April 2014, a further dividend of 2.0625 pence per Ordinary Preference Share was declared and this was paid on 22 April 2014.

On 1 July 2014, a further dividend of 2.0625 pence per Ordinary Preference Share was declared and this was paid on 24 July 2014.

20 RELATED PARTY TRANSACTIONS

Amedeo Management Limited ("Amedeo") (formerly Doric Lease Corp Management Limited has been appointed as the Group's Asset Manager and Agent (the agent is appointed to assist with the purchase of the aircraft , the arrangement of suitable equity and debt finance and the negotiation and documentation of the lease and financing contracts) respectively.

The	Company	paid	Amedeo:
(i) a fee of 0.6532 per cent. of £677,891,893 being the aggregate value of the Ordinary Shares in the Company issued under the Ordinary Share placing together with the amounts of debt financing received by the Company (otherwise known as the "Total Gross Proceeds")			
(ii) a fee of 0.25 per cent. of the amounts of debt financing received .			

In addition, Amedeo shall receive, in consideration for providing services to the Company, a management and advisory fee of £135,000 per annum per Asset (adjusted annually for inflation from 2014 onwards at 2.5 per cent. per annum), payable quarterly in arrear, save that Amedeo shall only become entitled to such fee in relation to each Asset following the acquisition of such Asset by the Company and the fee for each Asset shall be calculated from the date of acquisition of that Asset. Following the disposal of the first Asset, Amedeo will be paid an initial interim amount ("Initial Interim Amount") as follows:

i) If the sale price realised for first Asset to be sold by the Group, net of cost and expenses ("the Interim Net Realised Value") is less than the "Relevant Proportion" (being $1/X$ where X is the aggregate of (i) the number of Assets the lessor has legal beneficial title to immediately following the disposal of the Asset and (ii) the number of Assets sold immediately following the disposal of the Asset) of the aggregate of (i) the Ordinary Share placing proceeds and (ii) proceeds of any further issue of shares by the Company (the "Total Subscribed Equity") Amedeo will not be entitled to an Initial Interim Amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2014

20 RELATED PARTY TRANSACTIONS (continued)

(ii) if the Interim Net Realised Value is between 100 per cent. (inclusive) and 150 per cent. (inclusive) of the Relevant Proportion of the Total Subscribed Equity, Amedeo will be entitled to an Initial Interim Amount of 2 per cent. of the Interim Realised Value;

(iii) if the Interim Net Realised Value is greater than 150 per cent of the Relevant Proportion of the Total Subscribed Equity, Amedeo will be entitled to an Initial Interim Amount of 3 per cent. of the Interim Realised Value

Following the disposal of each subsequent Aircraft except the final Aircraft, Amedeo will be paid, in respect of each such Aircraft disposed of, an additional cash amount (each a "Subsequent Interim Amount") as follows:

(i) if the sale price realised for the Asset, net of cost and expenses ("Subsequent Interim Net Realised Value") is less than the Relevant Proportion of the Total Subscribed Equity, Amedeo will be entitled to a Subsequent Interim Amount of 1.75 per cent. of the relevant Subsequent Interim Realised Value;

(ii) if the Subsequent Interim Net Realised Value is between 100 per cent. (inclusive) and 150 per cent (inclusive) of the Relevant Proportion of the Total Subscribed Equity, Amedeo will be entitled to a Subsequent Interim Amount of 2 per cent. of the relevant Subsequent Interim Realised Value;

(iii) if the Subsequent Interim Net Realised Value is greater than 150 per cent of the Relevant Proportion of the Total Subscribed Equity, Amedeo will be entitled to a Subsequent Interim Amount of 3 per cent. of the relevant Subsequent Interim Realised Value

Following the disposal of the final Asset, and prior to the liquidation of the Company, if the Disposition Fee (as defined below) is payable, where the aggregate of the Initial Interim Amount and the Subsequent Interim Amounts is less than the Disposition Fee (as defined below) payable, the Company shall pay the difference to Amedeo in satisfaction of its obligations to pay such Disposition Fee.

Amedeo shall be paid a disposition fee (the "Disposition Fee") as follows: (a) Amedeo will not be entitled to the Disposition Fee (but for the avoidance of doubt will be entitled to reimbursement for properly incurred costs and expenses) if the aggregate sales proceeds for all Assets net of costs and expenses ("Aggregate Net Realised Value") is less than the Total Subscribed Equity; (b) if the Aggregate Net Realised Value is between 100 per cent. (inclusive) and 150 per cent. (inclusive) of the Total Subscribed Equity, Amedeo shall be entitled to a Disposition Fee of 2 per cent. of the Aggregate Realised Value; (c) if the Aggregate Net Realised Value is greater than 150 per cent. of the Total Subscribed Equity, Amedeo shall be entitled to a Disposition Fee of 3 per cent. of the Aggregate Realised Value.

In the event of a Total Loss of an Aircraft (as defined in the prospectus for the Ordinary Share placing of the company) the Total Subscribed Equity hurdle shall be adjusted down pro rata. In addition, the Annual Fee payable shall be pro rated to the date of the Total Loss.

During the year, the Group incurred £6,206,272 (31 March 2013: £nil) of expenses with Amedeo, of which £nil (31 March 2013: £nil) was outstanding to this related party at 31 March 2014. £4,427,990 (2013: £nil) of the expenses have been added to the carrying value of the Aircraft. £1,380,514 (31 March 2013: £nil) of expenses have been deducted from the carrying value of the equipment notes).

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 initial Ordinary Share Placing, the Company agreed to pay to Nimrod, at Admission, a placing commission equal to 0.2142 per cent of the Initial Gross proceeds of the initial Ordinary Share Placing.

Doric Nimrod Air Three Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

20 RELATED PARTY TRANSACTIONS (continued)

The Group shall pay to Nimrod for its services as Corporate and Shareholder Adviser a fee £400,000 per annum (adjusted annually for inflation from 2014 onwards, at 2.5 per cent per annum) payable quarterly in arrears. During the year, the Group incurred £1,762,040 (31 March 2013: £nil) of expenses with Nimrod, of which £102,500 (31 March 2013: £nil) was outstanding to this related party at 31 March 2014. £1,459,602 (31 March 2013: £nil) of expenses have been deducted from equity. £302,226 (31 March 2013: £nil) of expenses related to management fees as shown in Note 5.

JTC Fund Managers (Guernsey) Limited ("JTCFMGL") (formerly Anson Fund Managers Limited) is the Company's Administrator and Secretary and JTC (formerly Anson Administration (UK) Limited ("JAUK")) is the UK Transfer Agent. Until 29 November 2013, John Le Prevost was a director of Anson Fund Manager Limited and Anson Administration (UK) Limited. He is a director of Anson Registrars Limited, the Company's Registrar, Transfer Agent and Payment Agent. £109,640 (31 March 2013: £Nil) of costs were incurred with these related parties during the period, of which £11,854 (31 March 2013: £nil) was due to these related parties at 31 March 2014.

Doric Nimrod Air Three Limited

KEY ADVISERS AND CONTACT INFORMATION

Key Information

Exchange	Specialist Fund Market of the LSE/ CISX
Ticker	DNA3
Listing Dates	2 July 2013
Fiscal Year End	31 March
Base Currency	GBP
SEDOL/ISIN (Ordinary Preference Shares)	B92LHN5/GG00B92LHN58
Country of Incorporation	Guernsey – Registration number 54908

Management and Administration

Registered Office

Doric Nimrod Air Three Limited
Frances House
Sir William Place
St Peter Port
Guernsey
GY1 4EU

Asset Manager

Amedeo Management Limited
2nd Floor
Beaux Lane House
Mercer Street Lower
Dublin 2, Ireland

Placing and Corporate and Shareholder Advisory Agent

Nimrod Capital LLP
3 St Helen's Place
London
England
EC3A 6AB

Lease and Debt Arranger

Amedeo Management Limited
2nd Floor
Beaux Lane House
Mercer Street Lower
Dublin 2, Ireland

Solicitors to the Company (as to English Law)

Herbert Smith LLP
Exchange House
Primrose Street
London
England
EC2A 2HS

Asset Manager Liaison

Amedeo Services (UK) Limited
5 Royal Exchange Buildings
London
England
EC3V 3NL

Company Secretary and Administrator

JTC Fund Managers (Guernsey) Limited
PO Box 156, Frances House
Sir William Place
St Peter Port
Guernsey
GY 1 4EU

Registrar

Anson Registrars Limited
PO BOX 426
Anson House
Havilland Street
St Peter Port, Guernsey
GY 1 3WX

Advocates to the Company (as to Guernsey Law)

Carey Olsen
Carey House
Les Banques
St Peter Port
Guernsey
GY1 4BZ

Auditor

Deloitte LLP
Regency Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 3HW

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 Three 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 Three Limited.

DORIC NIMROD AIR THREE LIMITED

(Incorporated and registered in Guernsey with company number 54908)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the GENERAL MEETING of the voting Members of Doric Nimrod Air Three Limited (the “**Company**”) will be held at Frances House Sir William Place St Peter Port Guernsey GY1 4EU on 1 October 2014 at 11.00 a.m., to consider and, if thought fit, pass the below resolutions.

Ordinary Resolutions:

1. To receive the Annual Financial Report for the period ended 31 March 2014.
2. To appoint Deloitte LLP as Auditor to the Company, to hold office from the conclusion of this meeting until the conclusion of the next general meeting to be held in 2015 under section 199 of the Companies (Guernsey) Law 2008, as amended, and to authorise the Directors to determine their remuneration.

BY ORDER OF THE BOARD

JTC Fund Managers (Guernsey) Limited
Secretary

25 July 2014

Registered Office:

PO Box 156
Frances House
Sir William Place
St Peter Port
Guernsey
GY1 4EU

Notes:

1. A shareholder will only be entitled to attend and vote at this General Meeting if they are registered as holders of Shares as at the close of business on 29 September 2014 or, if the General Meeting is adjourned, as at 48 hours before the time of any adjourned General Meeting. This record time is being set for voting because the procedures for updating the registers of members for each class of shares held in uncertificated form require a record time to be set for the purpose of determining entitlements to attend and vote at shareholder meetings.
2. A member entitled to attend and vote at the General Meeting 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 General Meeting if they so wish.
3. More than one proxy may be appointed provided each proxy is appointed to exercise the rights attached to different shares.
4. In accordance with the provisions of 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.
5. A Form of Proxy is enclosed for use at the General Meeting. 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 Ltd, PO BOX 426, Anson House, Havilland Street, St Peter Port, Guernsey GY1 3WX not less than 48 hours before the time for holding the General Meeting.

6. If the General Meeting 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 General Meeting. 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 25 July 2014 (the latest practicable date prior to the printing of this notice) the Company's issued share capital with voting rights consisted of 220,000,000 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 General Meeting for 15 minutes before and during the General Meeting itself:
 - (a) a copy of the Company's Annual Financial Report for the year ended 31 March 2014;
 - (b) copies of the non-executive directors' appointment letters; and
 - (c) the Articles of Incorporation.

EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING

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

ORDINARY RESOLUTIONS

Resolution 1: Annual Report and Accounts

For each financial year the directors are required to present the directors' report, the audited accounts and the auditors' reports to shareholders at a general meeting. Shareholders are asked to receive the annual report and accounts of the Company for the financial year ended 31 March 2014. The Companies (Guernsey) Law 2008 requires that the accounts and reports are laid before the General Meeting.

Resolution 2 Appointment of Auditor

The appointment of the Auditor is to continue until the conclusion of the next general meeting to be held in 2014, under section 199 of the Companies (Guernsey) Law 2008. Deloitte LLP have indicated that they are willing to continue to be the Company's Auditor for the next year. You are asked to approve their re-appointment and to authorise the Directors of the Company to determine their remuneration.

DORIC NIMROD AIR THREE LIMITED

(Incorporated and registered in Guernsey with company number 52985)

FORM OF PROXY

Please read the Notice of General Meeting and the notes below before completing this form.

For use by holders of voting shares at the general meeting of Doric Nimrod Air Three Limited (the "**Company**") convened for 11.00 a.m. on 1 October 2014, and at any adjournment thereof.

I/WE.....(Block Letters)

OF(Block Letters)

being [a] member[s] of the Company, hereby appoint the Chairman of the Meeting *or.....as my/our proxy to vote for me/us on my/our behalf, as directed below on the Resolutions to be proposed at the General Meeting of the Company to be held on 1 October 2014 at 11.00 a.m., and at any adjournment thereof.

*Note: If it is desired to appoint as proxy any person other than the Chairman of the Meeting, his/her name and address should be inserted in the relevant place and reference to the Chairman of the meeting deleted and the alternation initialled.

I/WE direct the proxy to vote on the Resolutions as follows:

Ordinary Resolutions:	FOR	AGAINST	WITHHELD
1. To receive the Annual Financial Report for the period ended 31 March 2014.			
2. To appoint Deloitte LLP as Auditor to the Company, to hold office from the conclusion of this meeting until the conclusion of the next general meeting to be held in 2015 under section 199 of The Companies (Guernsey) Law, 2008, as amended, and to authorise the Directors to determine their remuneration.			

Please indicate with an X in the appropriate space how you wish your vote to be cast. On receipt of the form duly executed and in the absence of a specific direction, your proxy will vote or abstain as he or she thinks fit on the resolutions.

Signed:

Dated:.....

Notes:

1. If it is desired to appoint as proxy any person other than the Chairman of the General Meeting, his/her name and address should be inserted in the relevant place and reference to the Chairman of the meeting deleted and the alteration initialled.
2. If the shareholder is a corporation, this form must be executed under its common seal or under the hand of its duly authorised officer or attorney.
3. 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.
4. Any alterations to this form of proxy should be initialled by the person who signs it.
5. 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, PO BOX 426, Anson House, Havilland Street, St Peter Port, Guernsey GY1 3WX not later than 10.00 a.m. on 29 September 2014.

6. Completing and returning a form of proxy will not prevent a member from attending in person at the meeting and voting should he or she so wish.
7. Should you wish to vote in respect of a specific number of shares please indicate with that number in place of an X in the appropriate space.
8. A shareholder entitled to exercise more than one vote need not cast all his or her votes in the same way.
9. In accordance with the provisions of 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.